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ABSTRACT

This report from the 91st session of the International Labor Organization (ILO) conference examines recent legislation, policies, and practices reflecting new approaches to learning and training. The document was intended to foster discussion regarding a revision of the ILO standard on human resources training and development. Chapter I examines economic and social benefits of learning, education, and training in production of goods and services and the goal of full employment. It reviews the use of education and training to enhance productivity and competitiveness in knowledge and skill-based economies. Chapter II gives an overview of five principles that underlie contemporary human resources development and training policies, laws, and practices. Chapter III defines basic education and training concepts and reviews recent basic education and initial training reform in developing and developed countries. Chapter IV examines policies, legal developments and practices aimed at encouraging learning and training opportunities for workers with a focus on the maintenance and improvement of an individual's employability. Chapter V provides examples of current and emerging priorities and practices in international cooperation in human resources development and training. The document contains concluding remarks; an extensive bibliography; a questionnaire regarding the need for, and content of the new standard; and three appendixes. (SLR)

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INTRODUCTION

Decision to revise the Human Resources Development Recommendation, 1975 (No. 150)

In March 2001, at its 280th Session, the Governing Body decided to include in the agenda of the 91st Session (2003) of the International Labour Conference a first discussion of an item on human resources training and development, with a view to adopting a revised standard in 2004. The decision was based on a proposal in the Conclusions concerning human resources training and development, adopted by the International Labour Conference at its 88th Session after a general discussion on the topic. The Conclusions proposed that the ILO should prepare a new recommendation that would reflect the new approach to training.

The main ILO instruments in the area of human resources development and training are the Human Resources Development Convention, 1975 (No. 142), and Recommendation (No. 150). They cover all the aspects of vocational training and guidance at various levels and have replaced the Vocational Training Recommendation, 1962 (No. 117), which itself replaced a series of specific standards developed since 1939, particularly the Vocational Training Recommendation, 1939 (No. 57), the Apprenticeship Recommendation, 1939 (No. 60), and the Vocational Training (Adults) Recommendation, 1950 (No. 88).

Many other instruments recognize the contribution of training and guidance to the pursuit of employment, working conditions and equitable treatment, and some are closely related; these include the Paid Educational Leave Convention, 1974 (No. 140), and Recommendation (No. 148); the Vocational Rehabilitation (Disabled) Recommendation, 1955 (No. 99); the Vocational Rehabilitation and Employment (Disabled Persons) Convention, 1983 (No. 159), and Recommendation (No. 168); the Minimum Age Convention, 1973 (No. 138); the Discrimination (Employment and Occupation) Convention, 1958 (No. 111), and Recommendation (No. 111); the Employment Policy Convention, 1964 (No. 122); and the Equal Remuneration Convention, 1951 (No. 100), and Recommendation (No. 90).

Reasons for the revision

Adopted in 1975, Convention No. 142 and Recommendation No. 150 mirror the prevailing economic and social conditions of that period. Then, most countries pursued planned economic, social and industrialization policies; information and communication technologies were still in their infancy; work organization in enterprises was largely based on Taylorist principles; and much of the labour force was employed in secure wage jobs. Convention No. 142, which is general, is still recognized as a valid blueprint to guide countries in developing their training policies and systems. The Recommendation, on the other hand, has lost its relevance in many aspects, although some are still valid. "There is a need for a more dynamic instrument that is more applicable

and used by member States and the social partners in formulating and implementing human resources development policies, integrated with other economic and social policies, particularly employment policies" (*Conclusions concerning human resources* ..., paragraph 21).

Recommendation No. 150 reflects the planning paradigm of the early 1970s. It leaves little room for demand and labour market considerations and provides little or no guidance on many issues that are central to contemporary training policy and system reforms under way in member States. These issues include the policy, governance and regulatory framework of training; the roles and responsibilities of parties other than the State (e.g. the private sector, the social partners and civil society) in policy formulation and in investing in and providing learning opportunities and training; the move by many countries to provide lifelong learning and training opportunities for all people; devising appropriate policies and mechanisms for targeting learning and training programmes at particular groups with special needs; the shift towards development and recognition of "competencies" that comprise a wide range of work-related knowledge and technical and behavioural skills, and which form elements of many countries' emerging frameworks of national qualifications; and the need to expand skill development activities that prepare workers for self-employment.

The report

This report examines recent legislation, policies and practices that reflect the new approach to learning and training. It is intended as a source of ideas for countries as they go about answering the questionnaire appended to the report. The questionnaire asks governments and employers' and workers' organizations whether the International Labour Conference should adopt a new recommendation on human resources training and development. It also asks questions regarding its content.

Chapter I of the report examines the shift towards economies and societies that increasingly rely on human knowledge and skills in producing goods and services and securing decent work for all people. It reviews the new objectives of education and training to enhance productivity and economic competitiveness in an integrating world economy and promote the inclusion of all people in economic and social life. Chapter II gives an overview of five major principles that underlie contemporary human resources development and training policies, laws and practices. Chapter III reviews countries' reforms of their systems of basic education and initial training. These reforms endeavour to develop individuals' employability and promote their transition into the world of work. Chapter IV examines a wide range of policies, legal developments and practices that encourage more and better learning and training opportunities for employed and unemployed workers, and workers having special needs. These policies and practices are designed to develop and maintain their employability, often in the context of countries' nascent systems of lifelong learning. Chapter V gives a snapshot of trends in international cooperation and donor policies in the area of human resources development and training. The report closes with some concluding remarks.

CHAPTER I

TOWARDS KNOWLEDGE- AND SKILLS-BASED ECONOMIES AND SOCIETIES: NEW OBJECTIVES AND CHALLENGES OF HUMAN RESOURCES DEVELOPMENT AND TRAINING

"A critical challenge that faces human society at the start of the twenty-first century is to attain full employment and sustained economic growth in the global economy and social inclusivity" (*Conclusions concerning human resources ...*, paragraph 1). This challenge has recently become even more complex and demanding. Economic, social and technological change is gathering pace and calls for continuous policy and institutional adaptation in order to meet new needs and seize the opportunities that are opening up in a rapidly integrating world economy. It has been increasingly recognized that people's endowment of skills and capabilities, and investment in education and training, constitute *the key* to economic and social development. Skills and training increase productivity and incomes, and facilitate everybody's participation in economic and social life.

However, the difficulties involved in putting into effect employment and growth-oriented policies that give high priority to education and training are formidable. Some countries are investing heavily in their human resources, e.g. the advanced countries and rapidly industrializing countries (e.g. the Republic of Korea, Singapore and others). Other countries, particularly poor countries, have not been able to maintain investments at sufficiently high levels to meet their burgeoning needs. Unless the latter, supported by the international community, implement effective and inclusive policies and programmes for education and training for all, the skills gap is likely to grow even wider. According to the ILO, the overall goal of the global economy should be to provide opportunities for all people to obtain decent and productive work in conditions of freedom, equity, security and human dignity. This requires the attainment of four strategic objectives that are vital to social progress: *employment creation*, supported by increased and effective investment in human resources development, learning and training for employability, competitiveness, growth and social inclusion of all; *promoting fundamental rights at work*; *improving social protection*; and *strengthening social dialogue*. The ILO's framework of decent work addresses both the quality and quantity of employment and provides the basis for new human resources development and training policies.

A. Economic and social benefits of learning, education and training

Learning, education and training benefit individuals, enterprises and society alike.

Individuals benefit from education and training – provided that these are supported by other economic and social policies. Education and training make individuals employable and help them gain access to decent work and escape poverty and marginalization. Education and training also improve individuals' productivity and

income-earning opportunities at work and their mobility in the labour market, and widen their choice of career opportunities. Research carried out in the United States found that private returns to two-year Associate degrees (middle-level, vocationally oriented training) were as high as 20 to 30 per cent, particularly in the business and technical fields for men, and health fields for women (Grubb, 1996, cited in Grubb and Ryan, 1999, p. 93). In France, during the 1970-93 period, possession of vocational post-secondary qualifications conferred substantial benefits on the individual in terms of access to employment, reduced likelihood of unemployment, and significant increases in life-cycle earnings (Minni and Vergnies, 1994; Goux and Maurin, 1994, cited in Grubb and Ryan, 1999, p. 93).

Education and training help individuals escape poverty by providing them with skills and knowledge that raise their output as farmers and workers. According to the World Bank, primary education is the single largest contributor to growth and development in developing countries. A farmer with four years' schooling is much more productive than one who has no education. As poverty is increasingly concentrated among women, improving girls' and women's access to education will reduce poverty significantly.

Enterprises also reap rewards from education and training. By investing in their human resources, enterprises can improve productivity and compete successfully in increasingly integrated world markets. The economic performance of 62 worldwide car assembly plants around 1990, measured in terms of labour productivity and product quality (assembly-related defects per vehicle), proved to be closely associated with the presence of three dimensions of business strategy: lean production, team-working and innovative human resources management (HRM) practices. Training provision, for both new recruits and ongoing employees, constituted two out of five practices in the HRM dimension. The benefits of training in terms of improved productivity were found to depend strongly on the choice of a compatible organization of production, work, recruitment and remuneration (pay) structures. In Denmark, enterprises that introduced process or production innovations combined with targeted training were more likely than non-innovators to report output growth (11 versus 4 per cent), job growth (3 versus 2 per cent) and labour productivity growth (10 versus 4 per cent) (Danish Ministry of Business and Industry, cited in ILO, 1999b). Studies in many countries, including Germany, Italy, Japan and the United States, concur that traditional employer-provided training raises individual productivity and wage rates. As observed by Bishop in the case of the United States, provided such investments are initiated by the enterprise, they are likely to benefit both the enterprise and the individual (1994, p. 24).

Economic growth and social development of countries are invariably associated with large and sustained investments in education and training. Countries with the highest incomes are also those where workers are most educated, as evidenced by their enrolments in primary education (universal), secondary education (almost universal) and tertiary education (about 50 per cent of the relevant age group). Some 98 per cent of the adult population in high-income countries are considered literate. By contrast, in the least developed countries (LDCs), primary education enrolment in 1997 was around 71.5 per cent, secondary education enrolment 19.3 per cent, and tertiary education enrolment a mere 3.2 per cent of the respective age groups (UNESCO, 1999, p. II-20). Basic literacy, essential for learning and "trainability", as well as for employability and access to decent work in today's world, eludes a significant share of adults in sub-Saharan

Africa and south Asia. Industrialized countries invest at least 30 times more per student in education and training than the least developed countries.

Human resources development and training contribute to improved productivity in the economy, reduce skill mismatches in the labour market, and promote a country's international competitiveness. For example, a comparison of the apprenticeship systems in the United Kingdom and Germany (Ryan and Unwin, 2001) found lower coverage and qualification and completion rates in the United Kingdom, contributing to inadequate skill supplies reflected in the country's poorer productivity and trade performance.

Finally, over and above any economic considerations, education and training bring benefits to society. Human resources development and training underpin the fundamental values of society – equity, justice, gender equality, non-discrimination, social responsibility and participation of all in economic and social life (*Conclusions concerning human resources ...*, paragraph 1; and *Conclusions on lifelong learning ...*).

B. Putting the individual at the centre of the knowledge- and skills-based society

The *Conclusions concerning human resources training and development* affirm that every individual has the right to education and training, as do many national constitutions, for example, in Argentina, Bolivia, Brazil, Chile, Germany, Guatemala, Italy, Mexico and Spain. This right is also acknowledged at the international level, for example in the Universal Declaration of Human Rights (1948) and the American Declaration of the Rights and Duties of Man (1948). At the regional level, this right is recognized by the Social and Labor Declaration of Mercosur (1998) and the Charter of Fundamental Rights of the European Union (2000).

More than ever before, individuals want to master their own lives and expect to contribute to the economy and society. The development of *individuals as active citizens and members of society* is increasingly given a central place in statements of learning, education and training objectives. According to the European Commission's Memorandum on Lifelong Learning, active citizenship is about "how people participate in all spheres of social and economic life, the chances and risks they face in trying to do so, and the extent to which they therefore feel that they belong to and have a fair say in the society in which they live". Decent work underpins individuals' independence, self-respect and well-being, and is therefore key to their overall quality of life. Many countries, both industrialized and developing, are putting the individual at the centre of the education and training process, backing this up with the financial means to help him or her gain access to learning (see Chapter IV, section C.2).

Denmark is pioneering a learner-centred approach to vocational education and training. Other countries, for example Tunisia, Egypt, Singapore, Argentina and many other Latin American countries, are introducing fundamental basic education reforms that emphasize "essential", "basic" or "key" skills intended to promote the independence and initiative of the individual. In Sweden, the Adult Education Initiative (AEI), the largest adult education investment initiative ever undertaken in the country, explicitly puts the focus on the individual. All education under the AEI is governed by the individual's needs, wishes and capacity, and is intended to help improve the individual's opportunities in the labour market and provide further study opportunities;

it must be demand-led, in terms of organization, planning and actual courses provided. Every individual is given ample scope to choose the course of study he or she wants to undertake and its timing and location (Sweden, 1999).

The individual is becoming the architect and builder responsible for developing his or her own skills, supported by public and enterprise investment in lifelong learning. Democracy is about empowering the individual. Several factors – economic, social and technological – account for the growing emphasis on the individual. Firstly, in any modern economy today, the production of goods and services increasingly relies on human rather than physical capital, i.e. on its workers' individual and collective endowment of knowledge and skills. For example, in 1989 Germany's human capital, measured in terms of the cost of education and training, was a little over twice the value of its physical capital, compared to the 1920s, when the ratio of physical to human capital was 5:1 (Bosch, 1996).

Secondly, from a passive, teacher-oriented approach to gaining knowledge and skills, there is a shift towards *learning* for life and work, centred around the individual. The process of formal education and training is becoming less one of passing on information – as there is too much of it in today's world – and more one of individuals *learning to learn* so that they can find out for themselves. The relevance of knowledge about facts is diminishing, while the need to learn how to access, analyse and exploit information and transform it into new knowledge is increasing (ILO, 2001, p. 209). It is only by giving individuals the desire and tools, including financial means, to take charge of their own learning that they will be able to live and work in the knowledge society.

Thirdly, modern information and communication technologies (ICTs), in particular the Internet-based technologies, offer great opportunities. ICTs are used by an increasing number of people as learning tools, since access to them is expanding rapidly in high- and many middle-income countries and free courses are becoming available on the Internet. A recent survey of ICT workers in Viet Nam found that 70 per cent of those trained in computer skills had learned them via CD-ROM or on the Internet (ILO, 2001, p. 210). These learning opportunities are not restricted to computer and ICT skills but now cover a vast and rapidly expanding range of learning opportunities for life and work in the knowledge economy and society. However, the "digital divide" – unequal access to ICT and the Internet – both between and within countries risks growing even wider unless serious efforts are undertaken nationally and internationally to reverse the trend.

C. Formulating learning, education and training objectives and strategies: Some examples

Training objectives and strategies can be formulated at various levels (national, enterprise, training institution, individual, etc.) and also at the international (e.g. Organisation for Economic Co-operation and Development (OECD)) and regional (e.g. European) levels. Some examples are given below.

National human resources development and training objectives have often been (re)formulated in the context of countries' efforts to undertake major education and training reforms aimed at ensuring that their training policies and systems better meet contemporary economic and social needs; such reforms have occurred in Australia,

Chile, Ireland, Malawi, Portugal and Zambia, for example. The reforms have invariably been undertaken in the context of extensive social dialogue and involvement of various stakeholders in education and training. In many less developed countries, particularly in Africa, economic stagnation and mushrooming growth of the informal economy have made a redefinition of human resources development and training objectives imperative. According to Zambia's new policy statement, promulgated as a law in 1997, the broad aims are to balance the supply of skilled manpower at all levels with the demands of the economy and act as a vehicle for improved productivity and income generation and less inequality among people. More specific objectives were formulated, for example, to raise labour productivity; promote entrepreneurship and economic participation in order to increase economic efficiency in both the formal and the informal sectors; promote the versatility, creativity, and employability of Zambians; empower women economically; and provide skills and opportunities that will respond to Zambia's needs for poverty alleviation, improved housing and health care.

In formulating human resources development objectives, many countries (for example, Ireland, Tunisia and Zambia), identify *poverty reduction and social inclusion* of disadvantaged groups, including women, as explicit objectives. Ireland was the first country in the European Union (EU) to set specific targets for poverty reduction. In fact, the original global target of the National Anti-Poverty Strategy (NAPS) was to reduce the percentage of the population who are "consistently poor" from 9-15 per cent to less than 5-10 per cent by 2007. However, as a result of significant progress, in 1999 the Government set a new global target to bring "consistent poverty" down to less than 5 per cent by 2004. Education and training are important elements of the strategy (for more on the NAPS, see Chapter IV, section C.4).

The less developed countries increasingly express their ambition to harness education and training – both formal and non-formal – as the basis for sustainable economic and social progress, promoting democracy and mobilizing civil society in economic and social development efforts. Basic education empowers nations by providing citizens with the skills to make democratic institutions function effectively. Non-formal basic education plays an increasingly recognized role in providing learning opportunities for all in LDCs (UNESCO, 2001).

In the particular case of countries afflicted by or emerging from civil conflict and war, education and training are seen as the essential stabilizing factors for society, and a crucial routine in the life of children and young people returning to normal conditions. The United Nations Children's Fund (UNICEF) and a number of influential non-governmental organizations (NGOs), for example, advocate education and training as fundamental components of humanitarian interventions for children affected by armed conflict. Schools are considered "zones of peace". The Sri Lankan "National Action Programme to Address the Problem of Children and Youth affected by the Present Conflict" mentions vocational training and compulsory education.

In other countries, particularly the OECD member States, as well as the Philippines, for example, the shift – actual or perceived – towards knowledge- and skills-based societies underlies many legislative efforts in education and training. The vision of the Philippines' Technical Education and Skills Development Authority (TESDA) is to develop "world-class, technically skilled and educated workers with positive work values, acting as a vital force in building a prosperous Philippines", where citizens enjoy "greater economic security, social well-being and personal dignity".

Lifelong learning objectives: Many countries increasingly formulate their human resources development objectives in terms of lifelong learning. For example, in Finland the Government's development plan for the 1999-2004 period calls for, among other things, helping more young people to apply for upper secondary general or vocational education and complete their studies; developing students' learning skills in all sectors of the education system; increasing the provision of non-university higher education; expanding opportunities for adults to study for upper secondary and post-secondary vocational qualifications and to pursue other studies that improve their employability and capacity for further learning; and developing methods for recognizing non-formal and informal learning.

Statements on the subject have also been made by various international and regional bodies or organizations (see, for example, *Conclusions on lifelong learning ...*). The Cologne Charter on Aims and Ambitions for Lifelong Learning[1] (1999) of the group of eight major industrialized nations (G8) calls for "a renewed commitment ... by governments, investing to enhance education and training at all levels; by the private sector, training existing and future employees; [and] by individuals, developing their own abilities and careers". This commitment must be underpinned by three principles, i.e. that everyone should have access to learning and training, including the disadvantaged and illiterate; that everyone should be encouraged and enabled to continue learning throughout their lives; and that developing countries should be helped to establish comprehensive, modern and efficient education and training systems. The "learning chain" has been identified as including the following: early childhood developmental education accessible to all children; universal, free and compulsory basic education; increased access for all to secondary education; training and learning opportunities in schools and enterprises; widespread opportunities to obtain further and higher education and training; accessible continuing education and training for adults; gender balance in access to education and training; access to educational opportunity for minorities and other disadvantaged groups *(Conclusions on lifelong learning ...)*.

At the European Union level, the White Paper on Education and Training *(Teaching and learning: Towards the learning society)* (1995) already identified the need of *all* citizens to develop a knowledge base that will help them find their way in the information society. It warned against the danger of social exclusion among some groups in society based on lack of knowledge. The Presidency Conclusions of the Lisbon European Council (March 2000) call for "Europe's education and training systems ... to adapt both to the demands of the knowledge society and to the need for an improved level and quality of employment". They will have to develop individuals' learning abilities by offering opportunities for learning and training that are tailored to target groups at different stages of their lives: young people, unemployed adults and workers who are at risk of seeing their skills overtaken by rapid change. This new approach will include three main components: the development of local learning centres; the promotion of new basic skills, in particular in information technologies; and increased transparency of qualifications.

Enterprise training and development objectives: Most large enterprises, and an increasing number of small and medium-sized firms, formulate explicit learning and

[1] The Charter is reproduced as Appendix II to this report.

training objectives that support their corporate and organizational development. Laiki Bank Group (Cyprus) has identified specific skills development objectives for *all* its staff. Changes in work organization require all employees to learn new competencies, e.g. to perform individual tasks; manage several different tasks within the job; respond to irregularities and breakdowns in routine; and deal with the responsibilities and expectations of the work environment. Managerial staff need skills of written and verbal communication, teamwork, interpersonal sensitivity, leadership, management planning, analytical reasoning, problem-solving, decision-making, creativity, entrepreneurial spirit, dynamism, energy and initiative, and stress management (Ashton and Sung, forthcoming).

D. Integrating human resources development and training objectives and policies with other economic and social policies

The ILO has forcefully put forward the idea that full employment should be a central objective of the entire international system (ILO, 2000a). It also recognizes that education and training cannot, by themselves, solve the problems of employment. Rather, they "should be coherent and form an integrated part of comprehensive economic, labour market and social policies and programmes that promote economic and employment growth" (*Conclusions concerning human resources* ..., paragraph 4). They must include "the creation of a macroeconomic climate that is conducive to enterprise and job creation, policies for economic growth and technological change that maximize employment creation, and labour market and training policies that facilitate the insertion or reinsertion of workers into productive work".

The need to pursue integrated economic and social policies is recognized by the EU. According to the Lisbon European Council Presidency Conclusions, the EU's objectives of learning, education and training are an integral part of the EU's strategic goals to strengthen employment, economic reform and social cohesion in its bid "to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs". To achieve this strategic goal, the Lisbon Conclusions formulate a set of mutually supportive objectives and strategies covering various areas of economic and social policy. In addition to education, training and lifelong learning, these objectives and strategies include creating a friendly environment for starting up and developing innovative businesses, especially small and medium-sized enterprises (SMEs); instituting economic reforms for a complete and fully operational internal market; creating efficient and integrated financial markets; coordinating macroeconomic policies and making public finances sustainable, for example by redirecting public expenditure towards increasing capital accumulation, both physical and human, and improving the incentives of the tax and benefits systems for creating employment and providing learning opportunities.

In many *enterprises*, workplace learning, training and staff development are becoming an integral element of their corporate and organizational objectives and strategies. This is particularly true of those enterprises, known as "high performance work organizations" (HPWOs), that produce high-value-added products and services. The ILO's research on the subject (Ashton and Sung, forthcoming) documents the practices of these HPWOs. It shows how performance, operational and people management, and learning and training objectives and processes are aligned on

organizational objectives that aim to build trust, enthusiasm and commitment to the direction taken by the organization. For example, Comfort Driving Centre, a small Singapore-based enterprise that trains drivers, promotes shared values among its staff and aligns rewards with performance against company objectives, while involving employees in their work and supporting their capabilities at all levels. Management also shares knowledge and information with staff. Teamwork is the principal mechanism for driving the process of learning at work. Thus, at the company or micro-level as well, performance and growth are the outcome of mutually supportive policies and practices that encompass learning, education and other measures.

E. The economy, employment and society: Trends and constraints

Recent economic, employment and labour market trends in the context of the rapid globalization and integration of world markets have been documented by the ILO in recent publications (ILO, 1998a; 1999a; 2000b; 2001; *Conclusions concerning human resources ...*), as well as many country employment policy reviews. They converge on one central point: i.e. that these trends are producing a widening gap in terms of countries' participation in the global economy and the benefits that countries, enterprises and individuals reap from this participation. Within many countries, too, there is a growing gap between different population groups in terms of access to decent work and incomes, and participation in economic and social life. The poorly educated and trained are generally the losers in the process of economic change, even in times of economic growth and lower unemployment.

In the industrialized countries, while total employment has increased recently, the patterns of employment have changed. Within firms in industrialized countries, labour markets have become more and more segmented. Employers have reorganized their personnel systems into fixed (primary or core) and variable (secondary or peripheral) components. Most firms contain both forms of employment – primary (stable, career-oriented, male-dominated) and secondary (characterized by high turnover and little career progression and access to education and training). The former types of jobs are held by workers with high skills, the latter by those who have little or no education or possess only skills that have become obsolete. Labour markets are becoming increasingly ruthless in their treatment of unskilled workers. The absence of mutually supportive economic, employment and social policies, combined with an increase in non-standard forms of work, have made many workers more vulnerable. Their career and training prospects have been restricted and their conditions of employment adversely affected.

In the developing countries, various policies and developments associated with globalization – for example, trade liberalization, industry and enterprise restructuring, and new managerial and business practices – have had profound and often negative effects on labour markets. Unemployment has continued to rise as new labour market entrants have been unable to find productive and remunerative jobs. It has been exacerbated by massive redundancies in the private sector as the latter tries to cope with the challenges of globalization, raise productivity and find new markets. The public sector has also shed labour as governments have cut budgets in an effort to make their bloated public administrations more efficient. The "working poor" have grown in number,

many eking out a living in informal, low-paid employment and in poor working conditions.

All countries are exposed to globalization and its various manifestations. The question is what policies and strategies are most likely to help countries embark on a path of sustained economic and social development, perform in the increasingly competitive international environment and reduce the growing inequalities in incomes and access to jobs. Strategies pursued by developing countries in earlier years, such as those focusing on rapid industrialization based on import substitution or land redistribution, have lost their attraction. The wealth of nations is increasingly based on the skills and knowledge of their workforces. A three-pronged strategy of education and training can be envisaged to meet the challenges of globalization and improved competitiveness, while reversing growing inequalities in labour market outcomes.

The *first* prong should address the challenge of developing the knowledge and skills necessary for competition in tighter international markets. Access of *all* to lifelong learning is becoming a prerequisite in the developed countries as they endeavour to make their emerging knowledge and information society inclusive. In the developing countries, one of the most pressing needs is to build the basic "digital literacy" skills, and ICT-related education and training, that will allow these countries to access, harness, and ultimately innovate in, new technologies for production and development. Widespread digital literacy must be based on a system of quality basic education. Wage and income inequalities increasingly reflect people's different endowments of education and skills. Therefore, equity-based policies that give broad sections of the population access to education and training are also, in the long run, likely to contribute to reduced income inequalities within and between countries.

The *second* prong envisions education and training policies and programmes as instruments to mitigate the negative effects of globalization. Such policies are needed to target the large numbers of workers who have lost their jobs in industrial and public sector restructuring. Education and training efforts will have to focus on helping them develop new skills that will enhance their chances of finding jobs on their own account and in new, emerging industries. Invariably, training interventions will increasingly be seen as a crucial element of active and mutually supportive labour market policies. These will also include measures such as job-search assistance and financial support in starting up new businesses.

The *third* prong consists of education and training that address the increasing vulnerability of many population groups – for example, women, young people and low-skilled workers – who, for lack of education and skills, have become poor or run the danger of falling into a poverty trap. The focus will be on developing their basic skills, including basic literacy and numeracy. Supported by other economic and social measures, skill development will enhance their employability, help them develop productive income-generating activities in either wage or self-employment, and promote their integration into mainstream economic and social life.

A massive effort of education and training, supported by other economic and social measures, will be required to help workers gain access to decent work and participate in mainstream economic and social life. What, then, are the main pillars of this learning, education and training response?

F. The fundamental role and challenges of human resources development and training

In order to face the challenges ahead, education and training must meet the following requirements.

Basic education for all: Basic education is the first, and an essential, element of the process of lifelong learning. It instils "foundation skills" such as literacy, numeracy, citizenship, social skills, learning-to-learn skills, and the ability to solve problems together. Such skills are fundamental for living and working in today's society, for acquiring advanced skills ("trainability") and for making use of new technologies. Basic education of young girls, in particular, is likely to have a powerful effect on their future employability, income-earning capacity and economic and social emancipation. Ensuring basic education for all implies expanding access and participation to include everybody. The quality of such education is equally important: young students are less likely to drop out of quality education that meets their and their families' needs. A major thrust in many countries is therefore to invest more resources in basic education, expand the reach of basic education to make it universal, and improve its quality by focusing on the development of the foundation skills that are necessary for living and working in society.

Core work skills for all: These skills, alternatively called "key skills" (United Kingdom), "critical enabling skills" (Singapore), "basic skills" (EU), and "essential skills" (Egypt), are the non-technical skills that everybody will need in order to perform satisfactorily at work and in society, irrespective of where they work and live. They build upon and strengthen, and often overlap with, the foundation skills developed in basic education. They are aimed at enabling workers to constantly acquire and apply new knowledge and skills. As in Singapore, for example, they include learning-to-learn skills, literacy and numeracy (reading, writing and computation skills), listening and oral communication skills, problem-solving skills and creativity, personal effectiveness (self-esteem, goal-setting and motivation, skills for personal and career development), group effectiveness (interpersonal, teamwork and negotiation skills) and organizational effectiveness and leadership skills. Core work skills can also be considered to include what are called labour market "navigation" skills. These include job-search skills, knowing how to present oneself to prospective employers, how to identify one's career options and opportunities, and how to identify and evaluate job and education and training opportunities; they also include familiarity with the Internet, as many jobs, career opportunities and guidance services are increasingly available online.

Lifelong learning for all: Lifelong learning is the new catchword for education and training policies in the twenty-first century. It permeates new policy developments in a growing number of countries. The lifelong learning framework, according to the OECD (2001), emphasizes that learning occurs during the entire course of an individual's life. Formal education and training contribute to learning, as do non-formal and informal learning taking place in the home, the workplace, the community and society at large. Its key features are the following: the centrality of the learner, catering to a diversity of learner needs; emphasis on the motivation to learn, e.g. through self-paced, self-directed and increasingly ICT-assisted learning; the multiplicity of educational and training policy objectives and the recognition that an individual's learning objectives may change over the course of his or her lifetime; and

that all kinds of learning – formal, non-formal and informal – should be recognized and made visible. According to the ILO, "lifelong learning ensures that the individual's skills and competencies are maintained and improved as work, technology and skill requirements change, ensures the personal and career development of workers; results in increases in aggregate productivity and income; and improves social equity" (*Conclusions concerning human resources* ..., paragraph 5).

A new ILO Human Resources Development Recommendation

Developing core work skills and ensuring lifelong learning for all is a massive undertaking for any country, even the richest ones, and can only be achieved over a very long time frame, if ever. It is a target that is continually moving out of reach. The formidable task ahead requires pursuing and speeding up the education and training reforms started in many countries. The current momentum should be maintained by building on a number of recent developments. These include: the changing perception among all the stakeholders, recently expressed by the ILO constituents at the 88th Session (2000) of the International Labour Conference, about the need for increased investment in human resources development and training; the paradigm shift towards empowering the individual to be the builder and architect of his or her own learning and self-development; the potential of new technologies for learning, education and training; and the increasing recognition of social dialogue as the catalyst to involve all the parties concerned – governments, the social partners, civil society and individuals – in policies and programmes for human resources development and training.

These developments are recent. The ILO's Human Resources Development Recommendation (No. 150), which dates back to 1975, gives little guidance on how countries, the social partners and individuals should build on the current momentum and pursue new policies and programmes that take into account "training and education needs in the modern world of work in both developing and developed countries, and promote[s] social equity in the global economy" (*Conclusions concerning human resources* ..., paragraph 21). The ILO has therefore embarked on developing a new Recommendation that reflects the new approach to training and will help the ILO's constituents to:

- promote lifelong learning, enhance the employability of the world's workers, and advance the decent work concept;
- improve access and equality of opportunity for all workers to education and training;
- promote national, regional and international qualifications frameworks which include provisions for prior learning;
- build the capacity of the social partners for partnerships in education and training.

The new Recommendation will also:

- recognize the various responsibilities for investment and funding of education and training;
- address the need for increased technical and financial assistance for the less advantaged countries and societies.

CHAPTER II

MAJOR PRINCIPLES UNDERLYING CURRENT HUMAN RESOURCES DEVELOPMENT AND TRAINING POLICIES, LAW AND PRACTICE

Levels of economic, social and institutional development differ widely between countries. Similarly, human resources development and training, and the institutional framework on which they are based, have evolved in different ways. For example, the dual training system in Austria, Germany and Switzerland, countries with a tradition of strong employer and enterprise involvement in education and training, contrasts with the school-based systems that have been the hallmark of countries such as Finland, France, Sweden, the former centrally planned economies and many developing countries.

Notwithstanding the differences between countries – in terms of economic and social development, culture, the role of the State, private versus public financing, etc. – a set of common principles can be identified that should underpin countries' efforts in developing learning, training and human resources development policies and systems. These common principles have already been endorsed – either entirely or partly – in many countries' legislation and practice. They have also been confirmed by various international and regional institutions, such as the ILO (in particular, the *Conclusions concerning human resources* ...), the EU, the G8 and the OECD. This report identifies five major principles that underlie contemporary policies, law and practice in the area of human resources development and training. They are:

- establishing *an enabling environment* that encourages investment in human resources development and training by all stakeholders;
- developing *an institutional framework* for human resources development and training that is relevant to countries' social and economic context and level of development;
- ensuring *equal access* to human resources development and training for all, irrespective of socio-economic and income status, ethnic origin, sex, age, income level, etc.;
- developing *partnerships* between various stakeholders in the delivery of learning, education and training programmes;
- relying on *learner-centred strategies and practices*, increasingly through the use of ICTs.

A. Investment in human resources development and training: The necessary economic, social and institutional environment

A minimum target for investment in education has been set at 6 per cent of gross national product (GNP) (*Conclusions on lifelong learning* ..., paragraph 5). However, education and training alone cannot address the challenges that countries face in the

wake of globalization and the move towards a knowledge- and skills-based society. Although fundamental, they "are by themselves insufficient to ensure sustainable economic and social development, or resolve the aggregate employment challenge. They should be coherent and form an integrated part of comprehensive economic, labour market and social policies and programmes that promote economic and employment growth. Policies that expand aggregate demand in the economy such as macroeconomic and other measures must be combined with supply-side policies, e.g. science and technology, education and training, and industrial and enterprise policies. Appropriate fiscal policies, social security and collective bargaining are among the means to distribute these economic gains on a fair and equitable basis, and constitute basic incentives to invest in training" (*Conclusions concerning human resources ...*, paragraph 4).

1. Macroeconomic, fiscal and other policies in support of education and training for economic and social development

Various combinations of economic (e.g. macroeconomic, fiscal, trade and technology policies), labour market and social policies can encourage investment in education and training. They can be applied at macro level to boost investment in human and physical capital across the board in the economy. In one example, macroeconomic and political stability and investment-friendly economic policies, combined with targeted education and training, have promoted harmonious economic and social development. In another example, lack of investment in human and physical capital produced a downward spiral of low productivity and job growth, economic stagnation and low incomes. *Synergies* of policies, including education and training, can also be applied to target a particular economic sector, for example the ICT sector (the case of Malaysia is described below). Active social and labour market policies, including education and training, can also be effective in reducing unemployment and promoting social inclusion among the beneficiaries.

In a virtuous circle of investment in human and economic development, Asian "tigers", like the Republic of Korea and Singapore, as well as countries such as Malaysia, Mauritius and Ireland, have combined carefully targeted investment in their human resources with investment in physical capital and industries. This approach has led to sustained high economic and income growth. For example, Singapore was able to shape its national human resource policy to provide the necessary skills for each phase of development. A standardized education system supplied the science, maths and technical education needed for the first, import-substitution, phase, and fostered ethnic roots and values by focusing on basic literacy and domestic languages, as well as English. The next, export-industrialization, phase attracted foreign investment by means of tax, profit repatriation and training policies. Local training institutions focused on technical skills, these measures being complemented by technology transfers from institutions in advanced countries. Foreign corporations were provided with financial resources and infrastructure to set up training programmes, resulting in a large increase in technical education. The country then moved into higher value-added production. Training subsidies and grants encouraged foreign companies to train their workers. Education reform that emphasized technical and vocational education was supported by expanding universities and polytechnics. In the future, efforts to make the

country a leading knowledge-based economy will demand new learning and training approaches that encourage workers to be innovative and creative.

Singapore's astute and mutually supportive economic, human resources development and training policies contrast with those of many sub-Saharan African countries. There, in a vicious circle, macroeconomic and political instability (and civil conflict) led to less investment and less accumulation of physical and human capital than elsewhere. While all other major regions saw primary and secondary school enrolments increase, in sub-Saharan Africa primary school enrolments declined from 59 per cent in 1980 to 51 per cent in 1992 (World Bank, 1999). With declining output per worker, economic stagnation and no employment growth, incomes and living conditions plummeted (ILO, 1998b). Recently, however, investments in education and training have been maintained and even increased in many African countries.

Fiscal policies are commonly applied to promote investment in education and training by enterprises and individuals. A typical example is Chile, where enterprises are allowed to deduct costs incurred in training staff from their annual taxable income, up to a maximum of 1 per cent of their total payroll value (Act No. 19,518 of 1997). The training plans are discussed and approved by a bipartite enterprise committee, as a prerequisite for tax deduction. The scheme is administered by the National Training and Employment Service (SENCE). In the Netherlands, fiscal policies target both individuals and enterprises. The former can deduct from their taxable income up to €15,000 annually for courses that improve their employability in present or future jobs. Employers can deduct 120 per cent from their taxable income, or 140 per cent when training targets low-skilled workers, older workers (aged over 40) or workers in small enterprises. In addition, all apprentices receive a tax incentive of some €2,500 for participation in courses of initial vocational education. Both the Government and the social partners agree that the fiscal regime has particularly benefited the abovementioned target groups.

Policy synergies at sector level: Malaysia, pursuing investment- and trade-led growth policies, has seen substantial increases in investment, which have made it a leading exporter of electronics. However, in a world of rapid ICT developments and greater reliance on knowledge for creating value, this investment strategy is no longer considered effective for achieving sustainable growth. The new strategy focuses on creating innovative ideas and knowledge, arising from significant investment in research and development which can be commercialized. Accordingly, the country has developed a National Information and Communications Technology Framework. This approach includes three strategic elements, namely people (human resources development), infrastructure and applications and contents that are demand-driven, while following the principle that all citizens need equitable access to information. The human resources development element consists of a variety of measures, such as the Computers-in-Education programme to provide digital literacy in schools; new teaching methods and curricula, including distance learning; digital literacy programmes that target non-mainstream schools; and teachers' training. The Demonstrator Applications Grant Scheme finances grass-roots initiatives to familiarize Malaysians with the Internet and its usefulness for knowledge acquisition and learning. The scheme encourages access to Internet kiosks and seeks to raise awareness among diverse audiences, such as the poor, orphans and paddy farmers in rural communities (ILO, 2001, Chapter 7).

2. Active labour market policies

Many countries pursue active labour market policies in order to give people a "second chance" in employment after they have dropped out of the labour force, or to help them return to work after periods of unemployment. Increasingly, labour market training offers – within the context of lifelong learning – opportunities for skills upgrading, retraining and knowledge development. Such learning helps individuals gain access to new jobs and cope with changes in the knowledge and information economy and society. It also assists in integrating people into mainstream economic life and combats social exclusion. Active labour market policies have a long tradition in countries such as Sweden, Denmark and Germany and are more or less systematically pursued today in all EU Member States. They are also being applied in many transition economies as they address the rise in unemployment resulting from economic restructuring and market-based economic reforms. In east Asia, active measures have played a relatively minor role; however, the financial crisis and the rise in unemployment in the late 1990s suggest that these countries also need to consider active labour market policies in order to respond better to future crises and meet the long-term requirements of development (Betcherman and Islam, 2001, p. 296).

Active labour market measures tend to increase when unemployment rises. Training and retraining programmes generally account for a significant share of expenditures on active labour market initiatives (usually between 40 and 60 per cent, but over 75 per cent in Denmark). Active labour market policies and measures include job-search assistance and employment services; training for the long-term unemployed; retraining workers displaced in mass lay-offs; employment and wage subsidies; and public works programmes. They generally target population groups that are disadvantaged in the labour market, such as women, young people, the unemployed, migrants, laid-off workers and workers who run the risk of being laid off as a result of enterprise restructuring and technological change.

Evaluations suggest that active labour market measures are likely to be most effective in (re)integrating people into employment when they are part of *a package of mutually supportive services* that may include remedial education, job training, job-search assistance and direct provision of work experience. A first important requirement for success is that the demand for labour is buoyant. Little success can be expected when there is no (net) job creation. Macroeconomic and microeconomic policies are important factors in improving job prospects because they affect labour demand and supply.

B. Institutional frameworks for human resources development and training

The experience of many countries (for example, Australia, Denmark and South Africa) shows that new approaches to human resources development and training must be based on sound institutions, without which learning and training investments run the risk of being ineffective and lacking impact. Ultimately, the task of these institutions is to develop a common culture of learning and training between all the parties concerned – government, social partners, enterprises, individuals and civil society. The following are essential elements of an institutional framework for human resources development and training:

- a framework and institutions for dialogue between employers and workers, and others representing civil society, on policy-making and resource mobilization for human resources development and training, and for defining the respective responsibilities of various stakeholders;
- a diversified system of public and private training institutions and providers, including systems for supervising the quality and relevance of their programmes;
- a decentralized structure for decision-making regarding identification of training needs, content and curricula of education and training, and mobilization and use of resources;
- integration of the concept and practice of lifelong learning into the institutional framework; and the establishment of a qualifications framework and systems of skills recognition and certification in support of lifelong learning;
- institutions for collecting, analysing and disseminating labour market information, for job brokering and job-search assistance.

1. Social dialogue in human resources development and training

The absence of meaningful social dialogue hinders the development of effective and equitable policies for achieving broad-based social progress (ILO, 2000a, p. 22). As recently observed in many of the ILO's country employment policy reviews, social dialogue is essential for formulating sound employment policies and for mobilizing the broad support in society that is necessary for their successful implementation. Workers' and employers' representatives can offer invaluable support in areas such as work safety, job training and skills development. Dialogue creates incentives for employers' associations, trade unions and educators to use their influence in joint regulatory bodies to expand employer training beyond that provided by individual employers. It also increases the level of commitment, particularly of employers, to training goals which might otherwise be evaded if a purely administrative approach is taken (ILO, 1998a, p. 87).

The *Conclusions concerning human resources training and development* provide the ILO's constituents with an ambitious agenda for social dialogue on education and training. "The social partners should strengthen social dialogue on training, share responsibility in formulating education and training policies, and engage in partnerships with each other or with governments for investing in, planning and implementing training. In training, networks of cooperation also include regional and local government, various ministries, sector and professional bodies, training institutions and providers, non-governmental organizations, etc. Government should establish a framework for effective social dialogue and partnerships in training and employment. This should result in a coordinated education and training policy at national level, and long-term strategies, which are formulated in consultation with the social partners and are integrated with economic and employment policies. It should also include tripartite, national and sector training arrangements, and provide for a transparent and comprehensive training and labour market information system. Enterprises are primarily responsible for training their employees and apprentices, but also share responsibility in initial vocational training of young people to meet their future needs."

The experience of Germany and the Scandinavian countries suggests that tripartite and bipartite dialogue, negotiation and agreement on social issues have been decisive

in building up effective training and learning partnerships. In Latin America, collective agreements that include provisions for learning and training of workers are increasingly being codified in labour legislation. European countries commonly recognize collective bargaining legally. The collective agreements that are the outcome of the bargaining process are subsequently given force of law. They are negotiated at the national, branch, industry and enterprise levels. Many countries have seen the need for national legislation that leaves room for flexibility at the regional and provincial levels and allows for greater private sector influence in policy implementation. Recent legislative trends, for example in Australia, Egypt, Fiji, Ireland, Malta, Mauritius and Portugal, suggest that legislation is less concerned with laying down detailed provisions and more with promoting the involvement of the social partners and other stakeholders.

Social dialogue on economic and labour matters commonly takes place in national bodies that comprise representatives of the State, the social partners and also civil society. South Africa's National Economic Development and Labour Council (NEDLAC), the National Human Resource Development Council in Mauritius and the Economic Development Board in Singapore are examples of such high-powered forums for social dialogue that also touches upon education and training. These bodies give the broad policy orientations for national economic, social and labour policies. National training boards are often members of these top-level councils. Tripartite national training boards formulate training policies and define the content and orientation of training programmes. They are responsible for training system management and determine modes and criteria for financing of training. Boards operating at the sector or industry level are generally bipartite.

2. Diversification of training providers

There has been a shift away from state-controlled, centralized and supply-driven delivery of training towards a diversified, flexible system of public and private institutions and enterprise-based supply. There are several reasons underlying these changes in policy. One is the intention to make training supply respond better to economic and social needs and make it more flexible in the face of rapid demand shifts. An effort is also being made to increase efficiency in training by cutting training costs and encouraging competition between training providers. Another reason for diversification is the growth of "non-standard" and informal activities as a major source of employment generation in many countries, particularly in the developing world. In Latin America, increasing economic participation by women, in particular, has prompted more diversified course offerings by existing institutions and has led to a proliferation of new training providers.

Governments are increasingly introducing "quasi-markets" in training in an effort to diversify training supply, increase competition and develop veritable training markets, while endeavouring to protect consumers from high prices and malpractice. While governments continue to set priorities and finance training, independent organizations – both public and private training providers – contract with government agencies to provide specified training services. Already in the 1980s, Sweden opened up the market for labour market training to private providers and invited them to compete for public tenders. Quasi-markets are commonly used in the United Kingdom and the United States. Publicly sponsored training is delivered through a variety of providers.

These may include community and further education colleges, non-profit organizations, charities and (for-profit) private training companies. Australia has introduced competitive bidding among training providers, including the public Technical and Further Education (TAFE) colleges, the major vehicle for post-compulsory vocational education in the country.

Diversification of training provision has much to do with the incentives, including clear and transparent legislation, that encourage private providers to offer training services. Legislative reform in Chile in 1989 on private training companies resulted in rapid growth of private supply of post-secondary training in universities, professional institutes and training centres (Gill et al., 2000). In South Africa, private training is expected to play an important role in expanding access to further education and training, in particular by responding to labour market opportunities and learner demand. The key challenge is "to create an environment that neither suffocates educationally sound and sustainable private institutions with state over-regulation, nor allows a plethora of poor quality, unsustainable 'fly-by-night' operators into the [training] market" (South Africa, 1998). Therefore, the country's Further Education and Training Act, 1998, endeavours to ensure that only private institutions with the necessary infrastructure and resources to provide and sustain quality training will be registered and accredited. According to the World Bank, however, experiences in Chile, the Czech Republic and the Russian Federation suggest that national accreditation systems – intended to inform people about the quality of training – may neither be necessary nor sufficient for a balanced system of privately provided training. In fact, they may rule out innovative non-conforming training providers and discourage the development of a vigorous training market (Gill et al., 2000, p. 28).

3. Decentralization of decision-making on training policies and strategies to regional and local levels

Social dialogue and partnership in training typically involve significant elements of decentralization in both policy formulation and implementation. The rationale for decentralizing decisions on training is that these are best made at the regional, local and sectoral levels, close to economic demand and social needs. For example, decisions on training in an area of booming economic growth will differ greatly from those where deindustrialization and job loss are prevalent. Such differences can be accommodated by devolving training decisions closer to local realities. Institutions and local organizations are given autonomy and, most importantly, accountability, within a framework of national policy, priorities and targets. Greater innovation is likely to follow when local initiatives can be harnessed effectively. However, devolution can impair the attainment of national objectives by allowing local actors to pursue their own (parochial) agendas. Devolution is not an easy process. Vested interests among those with central decision-making power may need to be overcome. Local bodies will need the necessary resources, both human and financial, to be able to discharge adequately their newly acquired functions and responsibilities. Notwithstanding these possible drawbacks, devolution of decision-making on training is a common trend in most countries.

The United States offers perhaps the best example of a decentralized, loosely coordinated, locally administered and strongly market-driven approach that is responsive to local training needs. Local training networks, based on a complex set of relation-

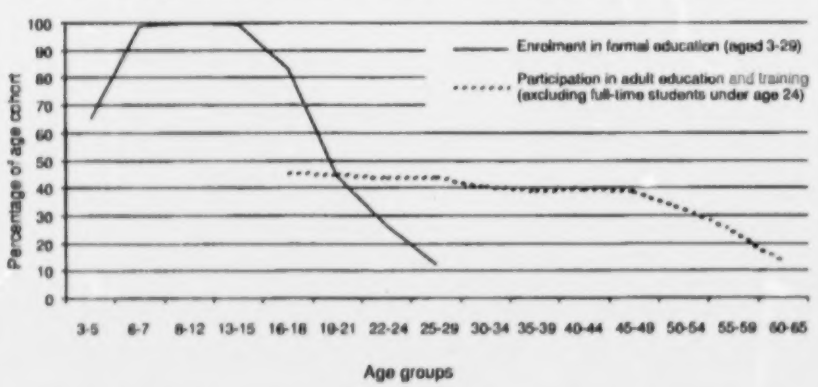
ships between training providers and enterprises, are able to secure training services and funds, and also influence policy decisions (Herschbach, 1997, cited in Mitchell, 1998, p. 20). Nevertheless, the role of the federal Government remains important as it provides fiscal incentives for initiating such local capacity building.

In the Philippines, the national Technical Education and Skills Development Authority's (TESDA) centralized functions – e.g. planning, setting of standards, monitoring and evaluation – are balanced by decentralization of decision-making and training functions. TESDA (TESDA Act, 1994, section 29) is expected to formulate, implement and finance specific plans to develop the capability of local government to assume responsibility for promoting community-based technical education and skills development. Similarly, in Indonesia planning and implementing skills training programmes, previously a function of the Ministry of Manpower and Transmigration, have been devolved to provincial and district levels (Law 22, 1999). Recently, the Governor of East Java identified key training issues that require action at the provincial level, including development of skills for income-generating activities and retraining of laid-off workers. These issues are being addressed, with support from the ILO, jointly by the provincial government, the province's Chamber of Commerce and Industry and other provincial and local partners.

4. Integrating lifelong learning in the institutional framework

Ensuring "lifelong learning for all" remains a goal that no country has achieved so far. Figure 2.1 illustrates participation in formal education and adult education and training over the lifespan in 18 OECD countries. It suggests that, at best, less than half of the adult population in these countries participated in some form of formal education or training in 1998.

Figure 2.1. Participation in education and training over the lifespan in OECD countries, 1998[1]



[1] Unweighted mean for 18 countries: Australia, Belgium, Canada, Czech Republic, Denmark, Finland, Germany, Hungary, Ireland, Netherlands, New Zealand, Norway, Poland, Portugal, Sweden, Switzerland, United Kingdom, United States.

Source: OECD, 2001, p. 18.

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The following action will have to be taken for lifelong learning to be integrated into the institutional framework for human resources development:

- building the foundations for lifelong learning by emphasizing learning-to-learn skills in particular. With the massive increase in information available today, people must learn to access, select and use information that is relevant to their needs and transform it into knowledge;
- developing policies and institutions for ensuring equity in access, particularly of disadvantaged groups, to lifelong learning opportunities. A multi-pronged strategy, such as offering financial incentives and more opportunities that are better tailored to individuals' needs, is necessary in order to encourage wider and more equitable participation in lifelong learning;
- mobilizing the necessary resources for making lifelong learning opportunities more widely available. All the parties concerned, including the State, the enterprise and individuals, will have to contribute to increased investment in lifelong learning institutions and programmes;
- ensuring collaboration among a wide range of partners and stakeholders. Partnerships have important advantages; they can increase the resource base available for investment in human resources development and promote programmes that are relevant to economic and social needs;
- developing policies and institutions for the recognition of all forms of learning, even informal learning. Recognition of individuals' skills and knowledge acts as a powerful incentive for them to learn, and improves their job and income prospects. It also promotes labour market mobility and transparency and guides employers in recruitment;
- designing guidance and counselling for lifelong learning. People need assistance in "navigating" and choosing between alternatives in a vast array of learning and training opportunities that can enhance their careers.

5. Labour market information for career guidance and counselling

Labour market information is an important resource to guide collective and individual investment in building up individuals' employability and a competitive, flexible workforce. Quality, timeliness and careful targeting on client groups are hallmarks of effective labour market information systems. *Career guidance and counselling* are becoming an essential element of the learning process. Openness to lifelong learning, increased personal responsibility, flexibility and adaptability, although important at every stage of a career, are now essential attributes for graduates and entry-level workers. New labour market entrants, seasoned workers, the unemployed, etc., need assistance in making informed decisions about ways to gain and maintain skills and employment. They can also be helped with skills assessments such as the *bilan des compétences*, which is now a common practice in France (see Chapter IV, section C.5). There is an unprecedented demand for career development services to assist in managing change effectively.

C. Ensuring access of all to human resources development and training

Knowledge and skills are increasingly important as the source of competitiveness in markets characterized by rapid change due to globalization and technological

advances. Those with low skill levels, outdated skills or no employable skills are more and more likely to be excluded from the labour market. Disadvantaged groups are also denied opportunities that are central to participation in the social, political and cultural life of society, as a result of their limited access to education, skills training, health care and employment. Their exclusion incurs high costs for social security systems and society in general. In addition, the opportunity cost to national economies of having so many inactive people is substantial.

Motivated by these concerns, governments throughout the world are taking action to promote access of these groups to education, training and skills development in different ways. Women in general, young workers, long-term unemployed, older displaced workers and people with disabilities are among those specifically targeted by many government training and employment support programmes. Such programmes set out to ensure that people have access to training which is relevant to labour market opportunities. They include off-the-job classroom-based training, or on-the-job training during a work placement, or both in combination.

Work experience and on-the-job training provide an opportunity for trainees to demonstrate their abilities to employers. In the case of people with disabilities, on-the-job training, provided as part of a supported job placement, has been effective in securing placement of the person on completion of training. This option is now favoured in Australia, the United States and Canada and is receiving increased attention in European countries (see Thornton and Lunt, 1997). The issue of how on-the-job training may be satisfactorily accredited and certified has yet to be resolved.

Training programmes for disadvantaged groups, including the poor, have been successful in improving skill levels and employability. This is particularly true of training that is geared to market opportunities and provided as part of an integrated and targeted set of measures to promote labour market inclusion of such groups, rather than as a stand-alone programme. Job-search training, vocational guidance and counselling, and remedial basic education, combined with training in specific skills, can improve prospects of finding a job.

In addition to remedial programmes, many governments have introduced measures to improve the relevance, flexibility, accessibility and reach of the mainstream training system. These measures endeavour to ensure that marginalization of disadvantaged groups is minimized in the long term. Hence, they reduce the need for special measures. The introduction of competency-based training, involving the recognition of knowledge and skills acquired through practical experience, is likely to improve access to further training of people who learned informally through practical work.

Given the current trend towards market-driven training systems and workplace-based training, which tends to benefit those already employed, state intervention will continue to be essential to ensure access for all. A variety of policy and programme measures will be required to encourage training providers to take the constraints and requirements of disadvantaged groups into account in reviewing existing training and skills development services, and in designing new ones.

D. Partnerships in training provision

A fourth major development is the increasing use of partnership approaches in training. Partnerships are established at the policy-making level through various forms

of social dialogue, collective bargaining and tripartite and bipartite agreements on training. In addition, actual training is commonly provided today in partnerships between a wide range of institutions, bodies and stakeholders. These include, for example, partnerships between employers and trade unions, between enterprises at the sector and industry level, between small and medium-sized enterprises, and between a variety of local and area institutions and stakeholders.

Partnership approaches to training have grown as the pressures of rapid change call for programmes that are current and aligned with the needs of industry and individuals. The private sector has often been the initiator of partnerships with training institutions, local governments, development agencies and others. Trade unions have recognized the importance of upgrading skills for maintaining employability and have become involved in the process of managing change. Technical assistance providers, including the ILO, have become aware of the need to consider training as part of a broader integrated approach to developing competitive enterprises and promoting equity in employment and decent work. Awareness of the systemic nature of change has encouraged coordinated network and partnership approaches amongst key actors, often facilitated or brokered by intermediary institutions such as development agencies.

E. Harnessing ICT for learner-centred training and wider access

The fifth major paradigm shift in human resources development and training is the use by more and more people, institutions and programmes of learner-centred education and training strategies and methods, primarily by using ICT. These technologies can also expand access of hitherto deprived population groups to opportunities for education and training.

The onus of learning is on the individual: As the amount of information available expands at an unprecedented pace, the onus of selecting, using and transforming information for knowledge creation is increasingly put on *the individual*. He or she is expected to organize his or her own learning. Rather than being a passive recipient of information, the individual must actively, and interactively, participate in the learning process. Teachers and trainers are no longer expected to instruct and pass on information. Instead, they are becoming facilitators, mentors and coaches who remove the roadblocks to the learner's acquisition of knowledge. Hence, learning-to-learn and knowledge creation become the central skills taught at school and harnessed at the workplace. Being accessible to rapidly growing numbers of people, ICTs are increasingly used for such learner-centred strategies. Indeed, across countries and professional disciplines, a considerable number of skilled workers – so far mostly in the ICT-related professions – teach themselves, or combine some formal training with self-learning.

ICT has expanded opportunities for learning in the workplace: Enterprises have pioneered the use of computers and ICT, first in production, management and communications, and then in providing opportunities for staff learning and training. In fact, online or e-learning in the workplace is the fastest expanding area of learning, education and training today. In the United States, the market for online learning is estimated to jump from US$550 million in 1998 to $11.4 billion in 2003. Typically, a large company makes available an array of education and training programmes on the computers of thousands of employees, often dispersed across the globe, via their Intranet or the

Box 2.1
Corporate online learning: Saving time and costs

Siemens Information and Communication Networks Inc. (United States) needed to train at short notice 600 high-level engineers on data/voice convergence technology. Traditional classroom training would have taken three years to reach all 600 engineers and would have cost some US$4 million in lost travel and production time, in addition to the direct training costs. At a cost of only $75,000 for hardware and learning software – and an additional charge of $1,500 for 100 classroom seats – the company was able to create interactive online classes via the company's Intranet. At present, Siemens' voice/data course is one of 64 online classes offered to 7,500 employees.

Source: Frieswick, 1999.

Internet. Employees have instant access to learning resources in the workplace and, increasingly, at home, and can choose and pace their learning according to their needs, work schedules and family responsibilities. Box 2.1 illustrates how workplace-based learning using ICT can save training time and costs.

"Blending" ICT-based learning with traditional methods: In addition to their penetration in the workplace, ICT and e-learning are also making inroads in schools, colleges, community centres, training institutions and universities. As ICT and Internet applications in education and training proliferate, they are increasingly used in combination, or "blended", with other more traditional learning and training methods, such as classroom teaching. Such blending can overcome the sense of isolation and lack of human contact often observed with pure ICT-based learning. At Xerox, an office equipment manufacturer, half of all learning programmes are delivered through electronic means, but are supplemented by classroom-based, student-trainer approaches. The Virtual University of the Monterrey Institute of Technology in Mexico exploits a variety of teaching and learning methods for its 40,000 students: printed material, live and pre-recorded television, and computer-facilitated interaction between teaching staff and students.

The EU-financed Socrates basic skills project, led by Lewisham College (United Kingdom) and with partners in Austria, Finland and Portugal, helps young learners who have difficulty learning by conventional teaching methods to develop basic literacy skills. Initial findings suggest that the CD-ROM developed for the purpose needs to be accompanied by high-quality learning materials. These could help structure the activities of the student. Guidelines are being prepared for developing learning materials to accompany selected CD-ROM-based multimedia resources. Teachers are also assisted in using such resources in order to improve the students' learning outcomes.

Learning at a distance: Distance learning programmes that exploit ICT are expanding at a rapid pace. As the costs of new technologies plummet, traditional distance learning tools (e.g. correspondence, radio) are being supplemented or even replaced by ICT-based technologies. Eleven "mega-universities" (in China, France, India, Indonesia, Islamic Republic of Iran, Republic of Korea, South Africa, Spain, Thailand,

Turkey and the United Kingdom) provide distance learning programmes to a total of some 2.8 million students a year at an average yearly cost per student of US$350, compared to the average cost of $12,500 per student per year for college and university students in the United States (ILO, 2001, p. 213).

Distance learning may increase access of disadvantaged groups to learning opportunities. Physically disabled people who cannot attend training programmes in an institution owing to lack of mobility and transport or because costs are prohibitive can, with the help of a computer, access Internet-based learning programmes at home. In Portugal, the THINK project illustrates an innovative use of telework for creating new opportunities for disabled people. A training package has been developed that prepares teleworkers for providing consultancy services, including computer programming, translations, direct marketing and web design. The project has enabled people with disabilities to become active contributors to society, providing a quality service to customers. Based on its success, the approach will be applied in four other European countries.

People in remote communities are another group that can benefit from the use of ICT in education and training. A classic example is the Telesecundaria programme in Mexico that reaches some 700,000 students in 100,000 small remote communities endowed with few schools and teachers. The programme uses a powerful satellite to cover a vast territory and deliver interactive, dynamic and action-oriented learning content that can be watched live on television or recorded on video. Teachers follow a basic teaching schedule, but can adapt the television programmes to their particular teaching style and learners' needs.

The potential of harnessing ICT in education and training is therefore huge. So are the challenges. A shift from instruction and passing on information to learning and knowledge creation will require a huge effort in terms of teacher and trainer (re)training. Ingrained professional and cultural habits and attitudes will have to be overcome; resources need to be invested in new learner-based techniques of education and training; and the ICT infrastructure, including in schools and training institutions, will need strengthening. These are challenges even in the richest countries. They are even more formidable in large parts of the developing world, where communication infrastructure is weak, incomes are low, education systems are resource-poor, and teachers lack materials and equipment that could support a shift to learner- and ICT-based education and training. But perhaps the greatest challenge of all is providing basic education to all people, as a prerequisite for access to the information and knowledge society. As the *World Employment Report 2001* strongly argues, "digital literacy is essential, but there remains an order of priorities in which literacy and access to a basic education of high quality are most fundamental" (ILO, 2001, p. 324).

CHAPTER III

EDUCATION, INITIAL TRAINING AND SKILLS FOR EMPLOYABILITY AND WORK

This chapter reviews recent basic education and initial training reforms in developing and developed countries. Supported by efforts to diversify the sources of financing education and to introduce greater accountability, these reforms endeavour to improve the quality and efficiency of education; ensure equitable access to education and initial training opportunities for all individuals (children, youth and adults, girls and women); develop employability; and facilitate access to work.

A. Evolving objectives and provision of basic education and initial training

As contemporary societies become more complex, many countries are broadening the scope of basic education to incorporate new knowledge and portable skills for the world of work and for living in the knowledge and information society. Secondary education at lower level is increasingly part of compulsory basic education, and its objective is more than just preparing students for higher education. The role of basic education is to "ensure to each individual the full development of the human personality and citizenship; and to lay the foundation for employability". Initial training helps to "develop further his or her employability by providing general core work skills, and the underpinning knowledge, and industry-based and professional competencies which are portable and facilitate the transition into the world of work" (*Conclusions concerning human resources ...*, paragraph 5). Good-quality basic education and initial training, availability of adult and second-chance education, buttressed by a culture of learning, also ensure high levels of participation in continuous education and training. As spelt out in article 1 of the World Declaration on Education for All and Framework for Action to Meet Basic Learning Needs, "basic education is more than an end in itself. It is the foundation for lifelong learning and human development on which countries may build, systematically, further levels and types of education and training" (World Conference on Education for All, 1990).

Basic education has a decisive bearing on an individual's ability to find and retain a job; the less education individuals have, the more likely they are to be unemployed. General education should provide individuals with the minimum requirements (such as literacy and numeracy) to function productively in the workplace. It should also focus on *foundation skills*, including the ability to identify, analyse and solve problems, the capacity to learn new skills, computer literacy and a grasp of simple scientific knowledge and technology. Basic education should develop children's social skills at an early age, as well as an understanding of citizenship and culture of work, as these skills help them to understand both social rights and claims, and social obligations and responsibilities. Many education systems have neglected this task. As the *Conclusions* emphasize, "individuals are most employable when they have broad-based education

and training, basic and portable high-level skills, including teamwork, problem solving, information and communications technology (ICT) and communication and language skills, learning to learn skills, and competencies to protect themselves and their colleagues against occupational hazards and diseases" (*Conclusions concerning human resources* ..., paragraph 9). These skills, often also called "core work skills", should be every individual's intellectual baggage when leaving school.

Education should prepare young people for non-linear career paths and the likelihood of several career changes during their working lives. It should convey a positive image of enterprise and entrepreneurship, break down sex stereotypes and promote gender sensitivity. It should also develop their capacity to improvise and be creative and, in general, equip them to deal with the complexities of a rapidly changing world. Instilling these skills for the promotion of each individual's employability is, now more than ever, a major task of basic education.

Vocational education and initial training should instil knowledge of science and technology within a broad occupational area and develop the requisite technical and professional competencies and specific occupational skills. A critical issue for vocational education and training is the emphasis placed upon general academic education and development of portable skills, on the one hand, and on occupationally oriented training on the other, in order to facilitate the smooth transition from school to work and enhance individuals' basic employability.

In most countries, at some intermediate age between 11 and 15, students tend to be channelled into *streams* of the education system that emphasize either academic or vocational skills. The academic stream usually prepares for tertiary education and entry to university and has relatively little job-related content, given the pressure to meet the competitive entry requirements of higher education. Increasingly, however, academic education in schools also develops portable core work skills, such as teamwork, problem solving, ICT skills, understanding of entrepreneurship, communication and language skills, and learning-to-learn skills. These are skills needed to build up individuals' employability, which will subsequently help them to adapt to rapid changes in the workplace and society. The vocational stream includes a wide range of programmes with various levels of work-based content, but entry into these tends to occur later as the duration of compulsory basic education is extended. Like academic education, vocational education and training also increasingly emphasize portable core work skills and employability. At one end of the spectrum is school-based learning, which includes work familiarization and practical exercises designed primarily to prepare students for work or for post-secondary vocational training. At the other end, alternating periods of accredited learning are rigorously organized at school and in an enterprise, often in the form of a modern apprenticeship. The aim is to produce skilled workers who can gain access to jobs smoothly. These streaming decisions, which generally involve some form of individual assessment, have traditionally been immutable, but they are becoming increasingly permeable. It is becoming more common for education systems to facilitate new pathways and progress between various types of education and training. Changing the content of education and initial training demands a new relationship between education and the world of work and a shift in responsibilities between the public and private sectors.

Training programmes outside the formal education system are also common. These are often supervised by ministries of labour, and run by independent bodies and financed by governments or employers, or by both. Entry requirements and the dura-

tion of training vary considerably. They often target school leavers, with or without school-leaving certificates, unemployed youth and employed workers who need to improve their skills. Vocational training courses of short duration are more work-oriented and flexible compared with vocational education. In some countries, e.g. in Latin America, these programmes have grown into major institutions, often with many more students than school-based vocational education (some examples are the National Industrial Training Service (SENAI), National Commercial Training Service (SENAC) and National Rural Training Service (SENAR) in Brazil and the National Apprenticeship Service (SENA) in Colombia). As in vocational education, many training programmes have also expanded their apprenticeship-type programmes by integrating school-based education with workplace-based learning in enterprises. Hence, many countries have witnessed a progressive convergence of their education and training systems and a standardization of education and training supply and occupational profiles in response to broad skill requirements.

Proprietary training, provided by private training firms and institutions, has traditionally been a large supplier of skills in the industrialized world, and has recently grown rapidly in many developing countries. Growth in proprietary training has mostly been in the area of non-industrial skills such as service occupations, computing and information technology, management and accounting; it has largely avoided training for technical and industrial occupations, which tends to require more costly investments. Proprietary training has grown in response to employer and individual demand for increased opportunities for upgrading and continuous training. Often responding to short-term demand, proprietary institutions tend to focus on specific work-related skills. Private training institutions finance their operations primarily by charging fees, sometimes complemented by government subsidies. A large share of the tuition and other fees charged by these institutions may also be underwritten in the form of state grants and low-cost individual student loans.

Informal apprenticeship is a form of proprietary training common in countries that have a large informal sector, both rural and urban. Informal apprenticeship often absorbs a large number of young people, and is now also being examined for wider use in other countries as a means of augmenting the supply of skilled trainees for informal employment. By giving artisans economic support and training and learning materials, governments and non-governmental organizations (NGOs) hope to overcome some of the shortcomings of informal apprenticeship, in particular its low educational and portable content.

Private education and training supply have been spurred less by pure market forces than by public policies that offered private agents incentives and subsidies to enlist them in executing programmes. However, profit-making private institutions are unlikely to become the principal purveyors of education and initial training in most developing countries. In the present context of often severe income and social inequalities, the participation of disadvantaged population groups in education and training cannot be ensured by privately run education and training. In addition, education and training are often long-term endeavours that are less suited to being undertaken by private profit-making institutions, which frequently operate in a short-term perspective. Nevertheless, private institutions, as well as NGOs, community organizations and other actors, have been instrumental in adapting education and training to local economic and social needs and constitute a valuable source of learning opportunities supplementing public provision.

B. Education and initial training reforms: Trends and practices

1. The current situation

Inequalities of access to education and training within and between countries remain formidable. In 1998, the net enrolment rates in primary education were 60 per cent in sub-Saharan Africa, 74 per cent in South and West Asia, 76 per cent in the Arab States and North Africa, 92 per cent in Central Asia, 94 per cent in Latin America and the Caribbean, 97 per cent in East Asia and the Pacific and 98 per cent in more developed regions. The enrolment rate in primary education in sub-Saharan Africa fell between 1990 and 1998 (UNESCO, 2000). Basic literacy eludes over 40 per cent of adults in sub-Saharan Africa and South and West Asia. The funding impact of structural adjustment programmes in many African countries has often negatively affected educational enrolment and quality.

In the advanced industrialized countries, which have extended basic education to most of their populations, the emphasis is on improving educational quality and access of disadvantaged groups to education and initial training opportunities, and reducing the still considerable gap in access between the sexes. In many transition economies in Europe and Asia, the main task is to address the mismatch between available skills and existing education and training programmes, on the one hand, and, on the other, the demand for new skills that their economies need as they embrace the market economy. Countries in Latin America, North Africa and East Asia have high education participation rates, but inequality in access and quality shortcomings are considerable. Issues of equity, financing and definition of the roles between the public and private sectors need to be resolved as these countries make the transition from elitist to modern systems that embrace their entire population in lifelong learning. The least developed countries, especially in sub-Saharan Africa and parts of South Asia, face the huge challenge of providing all school-age children with the core skills identified in national curricula. In rural areas, in particular, many girls are unable to attend school, while others drop out of school before mastering essential basic skills. Illiteracy rates among women and girls are sometimes double those of men and boys.

National and international public investment should ensure a minimum level of quality and universal access to basic education, particularly in rural areas and for women and other disadvantaged groups. Many countries must undertake the often politically difficult task of changing investment priorities in favour of basic education. In 1990, the World Conference on Education for All held in Jomtien, Thailand, developed a plan to increase learning and educational quality in schools, and to attain universal primary education before the year 2000. In Dakar, the World Education Forum (2000) pushed back the date to 2015 for the commitment that "all children, particularly girls, children in difficult circumstances and those belonging to ethnic minorities, have access to and complete free and compulsory primary education of good quality". Most recently (July 2001), the High-Level Panel on Youth Employment recommended that the heads of the United Nations, the World Bank and the ILO invite all Heads of State and government to mobilize all national and local actors to, inter alia, renew the commitment to decent work for young people. These recommendations are being followed up by concrete technical cooperation activities (see box 3.1).

Box 3.1
United Nations' Secretary-General's High-Level Panel on Youth Employment

Recommendation 3: Investment in education, training and lifelong learning (extracts)

A. Adopt national educational and training strategies, which set achievable targets for raising participation levels among young people and which make a strong commitment to adequate and sustained investment in human resource development.

B. Ensure that girls and boys are able to obtain quality education that lays the foundation for employability and that fosters the development of attitudes and values needed to succeed in life.

C. Improve the accessibility, relevance and effectiveness of secondary and higher education and technical and vocational training so that both young women and young men will be better equipped to take advantage of opportunities in the labour market and to cope with fast-paced changes in the world of work by: [...]

- promoting closer links between technical skills curricula and labour market needs and combining them with soft and other support skills needed for labour market success, through increased cooperation among employers' organizations, trade unions, training and education institutions and industry;
- developing or improving training systems that raise skill levels and facilitate a smooth transition from school to work, through a combination of off-the-job vocational education and programmes of learning and structured training in the workplace, either in apprenticeship-based arrangements or other vocational skill pathways;
- promoting equal access to technical and vocational training and higher education by providing gender-sensitive vocational guidance and counselling and by encouraging girls and young women to enter into male-dominated fields of study that offer avenues to new and promising work opportunities.

2. Trends and practices

Expanding compulsory education and integrating general and vocational education and training

Several countries have integrated vocational and general education by merging various types of educational institutions, by increasing the general studies content of vocational streams, or by integrating vocational subjects into general upper secondary education. The duration of compulsory education has been extended. Initial training is provided in schools and in specialized institutions, and it also increasingly includes workplace-based learning.

Box 3.2
Norwegian upper secondary education: Academic and vocational pathways

Since the reform of 1994, the upper secondary education system in Norway provides both academic and vocational programmes. The academic track entails three-year courses. Under the vocational track the third study year has become two years of apprenticeship training. Apprenticeship schemes were extended to economic sectors that had no previous experience of them, and many vocational courses that were previously entirely school-based were transformed into the new model of two years of school-based education followed by two years of apprenticeship training (2+2). The final part of specialized training takes place in the workplace. In total there will be 190 different craft or journeyman's certificates.

Sources: M. Bucchi: *Dropping out and secondary education* (unpublished draft, 2000); Education International: *Vocational education and training in Australia, France, Gabon, Germany, Honduras, Norway, Sri Lanka and the United States*, Discussion Papers on Education, No. 14, June 1998.

In Norway, in 1994, a major reform of the entire upper secondary school system gave all 16- to 19-year-olds the right to receive three years of upper secondary education that makes them eligible for further studies or an occupation. The reforms increased the general, portable content of vocational education, raised the number of those awarded vocational certificates and qualifications for entrance into higher education, and endeavoured to reduce or even eliminate the number of dropouts from upper secondary education, both academic and vocational. Vocational education, including apprenticeship training, is today an integral part of upper secondary education. The basic vocational education model offers the student a three-year education, with different vocational streams (box 3.2). Schools often give both general and vocational courses. The number of foundation courses during the first year of study was reduced from more than 100 to 15, while a broader vocational education curriculum also focused on the development of general, portable skills such as Norwegian and English language skills, mathematics, natural science, and sports and physical education.

In Spain, the 1990 Act on the general organization of the education system extends free compulsory education to the age of 16. All students follow some general technical training and are given the opportunity to take optional subjects that allow for some pre-employment experience or activity. After completing compulsory secondary education, students can continue to upper secondary education, either general education or intermediate vocational training. In addition to these streams, provision is also made for higher vocational training.[1]

In Brazil, the Ministry of Education is modernizing vocational education, adopting a competency-based approach and developing systems of certification in order to fa-

[1] See Spain Education System (http://www.spainexchange.com/spain_education.php), 3 Oct. 2001.

cilitate continuous education and labour market integration. The Act on basic guidelines for education (No. 9394 of 1996) and the Decree on national curricular directives for vocational education (No. 2208 of 1997) provide for the development of vocational education curricula. Vocational education is complementary to basic education, and can be acquired in schools, specialized institutions or the workplace. In order to encourage further study, the law provides for pathways between various levels of education and access to certification through the recognition of knowledge and skills gained at work. Vocational education has become more generic, and definition of trades has been discontinued. Local education authorities are free to develop curricula according to local needs and circumstances, on the basis of occupational areas defined in the directives.

Chile has undertaken successive education reforms (Delannoy, 2000). Mirroring international and domestic workplace trends, the most recent reforms of mid-level technical and vocational education in Chile expanded the general education content of the first two years and redefined the role of vocational education, which is now part of general secondary education and is intended to prepare students for labour market entry and promote their social inclusion. The Ministry has used the competency-based approach to develop educational trajectories that facilitate lifelong learning. The reforms emphasize linkages with industry. In 1999, a "dual" programme of vocational education was introduced, in collaboration with the Government of Germany (Decree No. 220 of 18 May 1998).

Denmark, Hungary and Sweden have also increased the general education content of upper secondary vocational education, giving students the conceptual knowledge and skills they need in working life and ensuring better access to tertiary study. In Sweden today, students who go on to further studies represent nearly all vocational areas. However, weaker students often have problems meeting the higher demands of general education subjects, while teachers sometimes find it difficult to relate some general education content to the world of work. Vocational students tend to gain access to further study only if they have done well in general subjects.

Australian state governments have recently integrated vocational education and training (VET) into upper secondary education in an effort to equip young people with the skills that employers need. Senior secondary studies will provide expanded and better-quality opportunities for nationally recognized vocational education and training qualifications. The new VET in Schools initiative allows secondary students to take vocational education courses at school, or with public and private training providers, and combine work with general and vocational education, on a part-time or full-time basis. Students will graduate with full or partial VET qualifications and a senior secondary certificate that will boost their prospects of finding jobs. They will also be able to use the credits thus gained towards VET qualification at higher levels.[2]

Modernizing apprenticeship

Workplace change and technological innovation and their upward skill bias generate demand for higher technical and specialist skills, combined with an understanding

[2] See ANTA: *Vocational education and training in schools*, http://www.anta.gov.au/dapVet.asp, 3 Oct. 2001.

of the broader economic and social context of occupations, work and industry. Efforts to reform apprenticeship, for example in Germany, attempt to broaden the content of apprenticeship learning and training, often expanding the educational, contextual part of the learning programme.

In South Africa, the new *learnerships* are a flexible form of apprenticeship. They have, in common with apprenticeship, the addition of workplace learning to the programme and a practical assessment of competence. Replacing the narrow, craft-based apprenticeships of the past, learnerships can take place in different work contexts: the public sector, enterprises, universities, etc. They combine theory with practice, are broader in scope, and cover a vast array of qualifications. Therefore, they appeal to different learners. They can be in any of the 12 areas of the National Qualification Framework (NQF), i.e. in general, further and higher education and training. For example, "chartered accountant: audit specialism" (at level 7, out of a total of eight levels in the NQF) is included among the learnerships of the financial and accounting services of the Sector Education and Training Authority (SETA) (Bird, 2001).

The "new apprenticeships" in Australia, introduced in 1998, have expanded rapidly, a testimony to their appeal among individuals and employers. New apprenticeships aim to broaden the industrial and occupational base for apprenticeship learning. Individuals today can take up apprenticeships in virtually all sectors and industries, groups of companies, and occupations. Considerable success has been achieved in making the new apprenticeships better reflect the country's employment structure. In 2001, 32 per cent of all jobs are in the clerical, sales and service occupations; in the same year these same occupations account for 30 per cent of new apprenticeships. However, the share of managerial and administrative occupations (7 per cent of all jobs) has not been matched by an equivalent increase in apprenticeships (1 per cent of new apprenticeships) (NCVER, 2001).

A few countries, such as India and Pakistan, apply compulsory apprenticeship training schemes. Employers' training responsibilities are recognized legally. In India, the apprenticeship training scheme (the Apprentices Act, 1961) is an important source of skilled workers in the country. Employers are obliged to engage a certain number of trade apprentices based on the number of employees and type of industry. Enterprises are required to impart on-the-job training while theoretical instruction is offered in state training centres. In 2000, some 17,800 establishments engaged some 165,500 apprentices (150,000 in 1996) covering some 254 industries (218 in 1996) and 138 designated trades (130 in 1996). On completion of training, trade apprentices have to pass the All India Trade Tests conducted by the National Council of Vocational Training (NCVT). Apprentices receive stipends, paid by the employer, which increase with each year of training. There are also apprenticeships for engineering and technology graduates and for students graduating from the vocational stream of general education schools ("technician (vocational) apprentices"). In addition, the Apprentices Act encourages employers to offer places to people representing disadvantaged groups. In 2000, the statistics for graduate, technician and technician (vocational) apprentices were broken down as follows: scheduled castes accounted for 7 per cent of places, scheduled tribes 1 per cent, minorities 7 per cent, physically disabled persons 0.14 per cent, and women 20 per cent (see India, 2000, Chapter 7; Batra and Chandra, 1998).

Box 3.3
NGOs and basic education: *Fe y Alegría*

A multi-country community-based primary education initiative, *Fe y Alegría*, provides basic schooling for children using formal, non-formal and distance learning methods in the most disadvantaged urban and rural areas in Latin America and the Caribbean. Using a combination of public and private resources, this initiative supports over 900 schools, serving more than 700,000 students in 15 countries.

Source: http://www.feyalegria.org, 3 Oct. 2001.

3. New institutional arrangements for providing education and initial training

Reforms of education and training content and curricula have been undertaken in a rapidly evolving institutional context. The growth of private provision has been significant. Regional, local and community organizations, including NGOs, increasingly provide education and initial training services. Box 3.3 illustrates the role that NGOs can play in basic education. Devolution of training provision has meant that the State's activities increasingly focus on national coordination, developing national education and initial training curricula and providing financial support and incentives for locally implemented education and training.

Decentralization

Latin America has a tradition of centralized and powerful training institutions. In recent years, for example, the National Apprenticeship Institute (INA) (Costa Rica), the National Apprenticeship Service (SENA) (Colombia), the Technical Institute of Training and Productivity (INTECAP) (Guatemala) and several training institutions in Brazil have given their respective regional departments significant policy-making, planning and executing autonomy. Decentralization has allowed the institutions to become better attuned to the social and economic circumstances of specific localities and has mobilized a range of local actors in various training initiatives. Box 3.4 illustrates this, using Brazil as an example.

Bringing decision-making power and accountability closer to communities and schools

Local communities and parents are increasingly concerned with issues of school development, resource management and curriculum development, as they endeavour to make basic education more relevant to local development, social and labour market needs. Work orientation elements are being introduced into basic education to ensure that it meets the needs of young people with a view to working in the community. While responsibility for basic education and initial training remains vested in governments, parents and communities often contribute a significant and growing share. Beneficiaries who pay are likely to monitor carefully the quality of the services they receive. In principle, fees and other contributions paid by non-poor beneficiaries could free up public resources for targeting the poor.

Box 3.4
Local management of vocational training in Brazil

The regional bodies of the National Industrial Training Service (SENAI), the National Commercial Training Service (SENAC) and most recently the National Rural Training Service (SENAR) enjoy a high degree of autonomy vis-à-vis their National Directorates. Rather than stemming from a central decision to delegate policy, administrative and organizational decisions to the regions, their autonomy rests on local chambers of industry and commerce, which are responsible for managing and maintaining infrastructure and allocating resources of the regional departments. Involving local entrepreneurs in managing the departments facilitates a range of cooperation and business initiatives with local authorities, trade unions and civil society organizations.

Source: CINTERFOR, 2001.

In Chile, vouchers are given to parents, who can choose the schools of their preference, while municipalities and private school owners receive grants based on the number of students they are able to attract. The Government has also transferred to mayors all decisions regarding personnel, employment and management of the public school system, including allocations and grants for school construction and rehabilitation. Decentralization has led to greater private education supply; an overall increase in enrolments and in student attendance; more participation by business associations; a well-administered testing system; and a larger share of public resources allocated to primary education (Schiefelbein and Schiefelbein, 2000). Increased flexibility through deregulation was the key to educational expansion. Growth of enrolments in private education may have improved overall cost-effectiveness (Winkler and Rounds, 1996).

El Salvador's Community-Managed Schools Programme (*Educación con Participación de la Comunidad* – EDUCO) has expanded education in rural areas by enlisting and financing community education associations (ACE) composed of parents elected by the community, which run the schools. The schools follow a centrally determined curriculum and must enrol an agreed number of students, but ACEs hire and fire teachers, monitor teacher performance and equip and maintain schools. In comparison with traditionally managed schools, EDUCO schools have lower teacher and student absenteeism and comparable education and training outcomes (Jimenez and Sawada, 1999).

Non-formal initial education and training

A wide range of non-formal initiatives have been developed to provide various groups, including young people, poorly educated workers, rural workers, women, migrants and disadvantaged groups, with basic education and skills to improve their employability and facilitate their labour market and social integration. These programmes are generally dispensed outside formal systems and are not formally recognized. However, some countries such as Australia, Singapore and South Africa are integrating

non-formal training into national systems of recognized qualifications. The diversity of programmes and measures is illustrated by a few cases described below.

In Singapore, the Skills Development Fund has actively encouraged employers to enrol their employees in non-formal, recognized basic education programmes that are administered by the Institute of Technical Education. These include the Basic Education for Skills Training (BEST) Programme, which provides basic literacy and numeracy training, and the Worker Improvement through Secondary Education (WISE) programme for adults to improve their competency in English and maths. In Thailand, non-formal education programmes lasting from three months to one year are run by many government departments, state and private enterprises, NGOs and schools. These target students who have completed primary education but have no secondary education. Pre-employment courses include basic skills training in electrical, automotive and construction technology and an industry training component. In 1995, the two government departments responsible for major non-formal education programmes enrolled some 375,000 students. However, these programmes do not allow progression in the formal education system.

In Barcelona, Spain, Workshop Schools help marginalized young people who have never worked, have no vocational qualifications and are looking for a manual job. Training develops their basic vocational skills and helps them gain self-confidence and self-esteem and take responsibility for their own lives. It combines theory and practice in a socially relevant context. Students learn trade and job-search skills, as well as basic management skills to help them become self-employed. Trainers work part time, which enables them to maintain another job and keep in touch with labour market and technical developments. Students' entry into employment is assisted and monitored by a special agency, *Barcelona Activa*. In the Netherlands, regional training centres (ROCs) assist young people who risk dropping out of school or who have left school without a certificate but want to complete their education. These centres integrate and consolidate various programmes of vocational training and adult education, providing educational assistance, basic vocational training and training for self-employment, intermediate management training and specialist training. Students can move from one type of study to another if they are experiencing difficulties in the one they have chosen. The centres guide students, mediate between teachers and students and advise on training and employment problems. In Brazil, rather than running physical training centres, SENAR (see box 3.4) has opted for a "virtual" network of services that are outsourced to private providers. These provide education and training services to rural populations, for example, literacy programmes, training for young people and social promotion activities.

The Somali Educational Incentives for Girls and Young Men (SEIGYM) in Somalia, supported by the Africa Educational Trust (AET), uses vouchers to encourage disadvantaged youth to gain essential reading and work skills. Technical and vocational training institutions invariably demand that entrants have school qualifications. The vouchers allow disadvantaged youth to locate and pay for literacy and numeracy training before they go on to skills training for employment. More than 5,000 disadvantaged girls, young women and young ex-militia men have been given literacy, numeracy and/or vocational training. SEIGYM uses a variety of providers of non-formal education and training: carpenters, driving instructors, painters, tailors, nurses, etc. Vouchers are redeemable through AET only if it has inspected the provider and certified its standard of training (Oxenham et al., 2001).

CHAPTER IV

LEARNING AND TRAINING FOR WORK IN A LIFELONG PERSPECTIVE

Learning and training for work are central to the development of a lifelong learning culture that underpins a knowledge-based economy and society, and ensures that all people have access to learning opportunities throughout their lives. In this report, learning and training for work are understood to encompass all learning and instruction that take place beyond education and initial training, which was the subject of the previous chapter. Learning and training for work target primarily people in wage or self-employment, and those who are unemployed or underemployed. They should be accessible to all those who want to change, or improve upon, their skills and qualifications in order to enhance their job and income earning prospects. They increasingly target people who are economically inactive, but who want to gain knowledge and skills for subsequent employment, or just for their personal growth and satisfaction. Chapter III focused on *building up* an individual's employability. This chapter is centred on its *maintenance and improvement*, while also considering the learning and training needs of people who missed out on learning and training opportunities earlier on.

A. The dual function of learning and training for work

Learning and training for work in a lifelong learning perspective "are a means to empower people, improve the quality and organization of work, enhance citizens' productivity, raise workers' incomes, improve enterprise competitiveness, promote job security and social equity and inclusion. Education and training are therefore a central pillar of decent work" (*Conclusions concerning human resources ...*, paragraph 3). Learning and training have a dual function: a proactive or developmental function; and a mitigating or remedial function.

The *proactive function* of learning and training is to develop and harness the knowledge and abilities of individuals and enterprises – and the capacity of entire economies – so that they can seize the opportunities that globalization and more open markets potentially offer. Human resources and skills are becoming the key competitive instrument in international markets for goods and services. Learning and training for work must therefore focus on developing those multiple skills that will help countries, enterprises and individual men and women seize the new opportunities. Workers will need more knowledge and higher technical skills in order to be able to exploit the productive potential of advanced technologies, particularly ICTs. They will also need new behavioural, teamwork and social skills to help them adjust and retool rapidly; as markets, technology, work organization and opportunities change, knowledge and particularly skills quickly become obsolete and have to be renewed on a continuous basis. A major challenge is therefore to expand opportunities of – and the necessary financing

for – learning and training for work (including lifelong learning), so that they are accessible to all.

The poorer developing countries face the formidable task of overcoming the handicaps that have so far prevented them from seizing the new opportunities. Their first priority is to raise the basic education and skill levels of their populations, for example by establishing policies and systems for lifelong learning. It is by drawing on those skills and competencies that they can exploit their respective comparative advantages and benefit from the opening up of world markets.

The *mitigating or remedial function* of lifelong education and training is to address the negative employment and labour market trends outlined in Chapter I. Many of these trends have been the unwelcome result of globalization and related developments in many countries. Education and training are a major instrument – if not *the key* instrument – for enhancing the employability, productivity and income-earning capacity of many disadvantaged people in the labour market, and hence for promoting equity in employment outcomes. Learning and training for work can help to correct skills and knowledge mismatches of large segments of the labour force following major economic restructuring, particularly in the transition economies, but also in many developing economies. In developing countries with a rapidly growing informal economy, learning and training are indispensable for improving productivity and living conditions among the large sections of the population who earn a living from informal activity.

Many unemployed workers need new skills and competencies that will enhance their chances of re-entering stable employment. Women and others who are discriminated against need education and training to give them access to more and better jobs and to overcome the syndromes of poverty and social exclusion. Workers who are in precarious and insecure jobs, and often intermittently unemployed, need to renew their rapidly deteriorating skills in order to improve their prospects of finding more stable jobs that also offer them a career.

The dual function of learning and training is a central feature of education and training policy frameworks in many countries, for example in Egypt, Mexico, Tunisia and South Africa. In Egypt, proactive training that helps enterprises adjust to the needs for new skills, technology and work organization goes hand in hand with active labour market measures, including training for the unemployed and measures that encourage income-generating and training activities for poorer groups of the population. The EU provides a regional example of this approach (see box 4.1).

B. Social dialogue, collective bargaining and collective agreements

Globalization, structural change and rapid technological development have far-reaching consequences for human resources management at the enterprise level, for skills and competencies, and for learning and training practices. Social dialogue provides a means to anticipate and smooth out difficulties arising from changes in work organization, working conditions and employment patterns. In most countries, training for work in a lifelong perspective has become a key subject of dialogue among the social partners, and between them and governments. However, "the scope and effectiveness of social dialogue and partnerships in training is currently limited by the capacity and resources of actors. It varies between countries, sectors, and large and small

Box 4.1
The European Union: The dual function of learning and training

At the Lisbon European Council (March 2000), European Heads of State and Government acknowledged the complementary nature of proactive and mitigating measures of learning and training that Europe needs in order to become the world's leading knowledge-based economy, while also strengthening its "social model" of development, based on equity. Proactive learning and training measures aim at preparing Europeans for the knowledge economy and helping companies and individuals adapt to rapid changes in the workplace, technology and society. The social, mitigating function of learning and training is to get more people back into work, promote job creation, prevent unemployment and ensure equal opportunities for all. These functions are made explicit in the EU's 1999 Employment Guidelines and also in the 1999 Broad Economic Policy Guidelines. The former include provisions on learning and training for improving employability, adaptability and equal opportunities and for promoting entrepreneurship and job creation. The latter provide the framework for defining overall policy objectives on learning and training in the National Employment Action Plans of individual countries. In order to overcome skill shortages, the Commission Communication on Strategies for Jobs in the Information Society emphasizes an integrated lifelong learning approach.

Sources: EU: *Presidency Conclusions*, European Council, Lisbon, 23-24 Mar. 2000. See also European Commission, 1999a and 1999b.

enterprises. Recent regional economic integration also brings a new dimension to social dialogue on training and the need for capacity building" (*Conclusions concerning human resources ...*, paragraph 20).

Social dialogue on employment and other social issues can take many forms, from ad hoc or informal to formal discussions and negotiations. It may take place at enterprise, sector and national levels. In many countries, it is conducted by established institutions and operates within a legal framework for labour relations. In recent years the scope of social dialogue has widened. In addition to established workers' and employers' organizations, it often involves many other actors dealing with training and employment issues, including at regional and local levels.

Social dialogue practices in many countries are underpinned by strong national traditions. Bipartite and tripartite approaches to employment and training policy development have gained ground. Partnerships within the private sector and between the private sector and the public authorities have been pursued at different levels. They aim at addressing more (cost-)effectively current developments in labour markets, in particular the new demand for skills.

Improving and maintaining the employability and quality of the workforce are central themes of social dialogue on human resources development. Learning and training issues are often also part of negotiations on other employment issues, particularly when enterprises are restructuring and unemployment is growing. Collective

bargaining topics include increasing and sharing investments in lifelong learning and training, identifying skills needed for maintaining internal or external employability, and establishing qualifications frameworks, including mechanisms for skills recognition and certification.

Equal opportunities and access to lifelong learning and training are becoming a recurrent, cross-cutting theme in negotiations and collective agreements on training. However, equity targets which have been agreed upon by the social partners and set up in many countries have not yet been achieved. The equity dimension and accessibility to lifelong learning concern particularly women, workers with little education, workers at risk of being laid off, workers in small enterprises and those engaged in informal activities. These workers often account for a large proportion of the working population, but are generally poorly represented in collective bargaining and seldom benefit from it. The National Vocational Training Programme (PLANFOR) in Brazil, an outcome of tripartite social dialogue, provides for learning and training that target marginalized groups. Section C.4 in this chapter briefly examines PLANFOR's programmes for disadvantaged women. Sector agreements sometimes also take account of their needs. However, active labour market programmes and other remedial measures, taken mainly by the public authorities, often provide their only opportunity to gain access to training.

The organization of lifelong learning and training is also a subject of social dialogue. Negotiations generally focus on financing, management of resources, establishing qualifications frameworks, skills recognition and certification, managing programme quality and effectiveness and meeting equity objectives of training. Training provision tends to be less an issue of collective bargaining, as training providers have multiplied, competitive training markets have emerged in many countries, and learner-centred modes of training, often using ICT, have spread rapidly. Generally, quality and equity criteria of training are established through social dialogue and are applied and managed through procedures for financing training. Recently, dialogue has developed around new topics such as workplace learning, the role of ICT in this process, and lifelong learning and training in high performance work organizations. Some of these aspects are addressed later in this chapter.

Bipartite and tripartite agreements on lifelong learning and training have multiplied recently, particularly in industrialized countries, as governments and employers' and workers' organizations have engaged in collective bargaining at the enterprise, sector or national level. The agreements lay down workers' rights and certain regulatory conditions. They have also contributed to institutional frameworks at sector or national levels, often with the financial partnership of the government. Collective bargaining and dialogue with governments have, in many countries, led to the establishment of training funds that finance lifelong learning and training, for example in Denmark, France, the Netherlands, Spain (see box 4.2) and Sweden, and also in developing countries (e.g. Benin, Mali, Senegal). Other arrangements provide for national qualification frameworks and skills recognition and certification (Australia, New Zealand, South Africa and the United Kingdom). Hence, training clauses of collective agreements tend to provide a good basis for establishing and sharing responsibilities, for building different types of partnerships, and for promoting equity in training.

Box 4.2
Spain: From collective agreement to a national lifelong learning and training policy

The influence of collective bargaining at the national level is well illustrated by the development of Spain's national lifelong learning and training strategy. Two years of national bipartite collective bargaining led to the conclusion of a collective agreement. Further negotiations between the social partners and the Government resulted in a national tripartite agreement in 1992, which became the national policy for the country's lifelong learning and training system, the Foundation for Lifelong Training (FORCEM). The system is financed by employers' and government contributions. It involves both public and private institutions at the national, sector and local levels. Lifelong learning and training have been expanding rapidly.

The role of governments is changing rapidly, particularly in countries that have a well-established culture of collective bargaining and social dialogue. There, rules on lifelong learning and training are the outcome of continuous interaction between legislation and agreements, France being a typical example. The legislator often recognizes the existence of a substantial body of agreed rules formulated through the bargaining process and enforces their general application. In other cases the government imposes its rules on the social partners by means of clauses that encourage the private sector to assume greater social responsibility for and invest more in training.

Social dialogue and collective bargaining on lifelong learning and training therefore establish two sources of rights: the law and collective agreements. They also endorse the parity principle in managing sound and structured training systems. The systems that emerge from the bargaining process display the following major features: recognition of a legal right to lifelong learning for the employee; joint management of resources by the social partners; and a set of guidelines and operational frameworks necessary for providing lifelong learning and training programmes. Governments increasingly encourage the social partners to engage in collective bargaining, while concentrating their efforts on providing training opportunities for the most vulnerable groups – women, people with disabilities and other groups with special needs – by means of active labour market and equity-oriented programmes. By means of incentives, they encourage regional and local partnerships, as well as public education and training institutions, to deliver training programmes for these groups.

Social dialogue in new integrated economic regions is also emerging as a result of public pressure and direct initiatives by employers' and workers' organizations. In the EU, the practice of "joint opinions" resulting from dialogue on social issues, including training, has gradually given way to negotiations of European framework agreements. The social partners can address subjects of common interest, and introduce innovations of lifelong learning and training. National negotiations on employment and training increasingly have a European dimension. The objective is to transform the skill profile across Europe in order to meet the needs of the emerging knowledge-based society and address problems of labour mobility. ICT is a central theme. Other economic regions,

for example in Asia, Latin America and Africa, are also engaging in social dialogue on lifelong learning and training issues.

As illustrated by a few examples below, social dialogue has been decisive in promoting policy developments and building up effective partnerships in the area of human resources development and training. Ensuring employers' and workers' participation in policy-making has been the foundation for training system reforms in Australia, South Africa and European and Latin American countries.

The industry-led Australian National Training Authority (ANTA), established by the federal and state authorities, engages the trade union movement in social dialogue on vocational education and training. The Deputy Chair of ANTA's Board is an Assistant Secretary of the Australian Council of Trade Unions (ACTU). The Authority has embarked on an ambitious plan to develop new accreditation procedures for institutions, training providers, courses and skills learned; to encourage private providers to expand and improve the quality of their training supply; and to develop a nationwide system of competency standards on an industry-by-industry basis. The central intent of ANTA is to transfer control of learning and training from the suppliers of skilled workers, hitherto mainly government institutions, to those actually demanding these skills, i.e. industry.

In Ireland, social dialogue has taken the form of a set of national programmes that reflect its recent history of, and priorities for, economic growth and social development: the Programmes for National Recovery (1987-90); Economic and Social Progress (1991-93); Competitiveness and Work (1994-96); and Prosperity and Fairness (2001-02). The early agreements were between the main social partners, i.e. business and farming organizations, the Irish Congress of Trade Unions (ICTU) and the Government. More recently the Programmes have included agreement on social policy, in which the community and voluntary sectors have been involved, thus broadening the negotiating forum. These agreements include a wide range of provisions regarding education and training.

In Cyprus, social dialogue has been instrumental in creating the tripartite Industrial Training Authority (ITA). This body administers a training levy (0.5 per cent of payroll) on all enterprises, formulates training policy and undertakes research on industry training needs and job and occupational analysis. The system is market-oriented but with heavy social partner input on such matters as training policy, skill standards, sectoral collective bargaining and labour market policy. The present policy of upgrading workers' skills continuously covers three-quarters of the workforce. Training approvals have risen tenfold since the 1980s and cover close to all skilled worker specializations demanded in the economy. In Cyprus, social partnerships, public intervention and the private sector have collectively contributed to an effective system of human resources development and training.

In Latin America, until recently, and with a few exceptions, the *dirigiste* model of governance concentrated power in the hands of governments' bureaucratic elites. Vocational training was dispensed under the auspices of one large institution that was responsible for defining and implementing public training policies at the national level. With democratization and the growth of civil society and institutions, training is increasingly negotiated between employers and workers and a wider range of social actors. It has also been decentralized to local governments and associations of civil society and to key sectors. In Chile, the establishment of Bipartite Training Committees was encouraged by law in an effort to further advance the democratization process

at the plant level. Committees have been established in enterprises in order to stimulate dialogue over worker training. In Uruguay, the creation of the National Employment Board, a multipartite body with its own resources designated to support new training initiatives, was a decisive step towards intervention in employment and training policy formulation and implementation. In Brazil there are also a tripartite body at the federal level (the Executive Council of the Workers' Assistance Fund – CODEFAT), at the state level (multipartite State Employment Councils) and at the municipal level (Municipal Employment Councils). As in Uruguay, a special fund was created that allocates substantial resources to employment and training initiatives around the country (Posthuma, "Social dialogue ...", forthcoming). These experiences in Latin America suggest that social dialogue around training can contribute towards reducing conflict between management and labour over workers' skills, qualifications and lay-offs. It can also assist in better targeting of training programmes so that these benefit disadvantaged population groups (ibid.).

C. Institutional frameworks of learning and training for work

Democratization and social dialogue have, in many countries, spurred the growth of new institutions, particularly in the social area, including employment and human resources development. Government and employers' and workers' organizations are engaged in a continuous process of evaluating and reforming their education and training systems. Lifelong learning and training for work are central to these reforms. OECD member States and some other countries, for example Mauritius and South Africa, are integrating their policies for economic and human resources development. These countries are making rapid progress in ensuring that their workforces have opportunities for lifelong learning. Most developing countries, especially the less developed, struggle with the task of providing basic education to all children and young people. They also have to address the needs of their adult workers, particularly those with little education. Institutional frameworks and the role of the partners in learning and training for work in different countries have consequently evolved differently.

Lifelong learning and training strategies create new challenges for policy and programme coordination, financing and the provision of learning opportunities for all. They call for an integrated vision of education and training over an individual's entire lifespan; a wide range of education and training pathways; new settings for learning and training, including formal and informal modes; and an expanded range of partners. They also require new systems of resource allocation; new incentives, including skill recognition, certification and guidance, to motivate individuals to learn; and a change in collective and individual behaviour. There is a need for new institutional frameworks and major reforms of existing institutions. Some recent institutional developments are presented below.

1. Training authorities, councils and boards

In a common trend, countries have recently established national frameworks for human resources development and training that provide overall guidance on reform of education and training systems and institutions in a new lifelong learning perspective. The government has generally taken the initiative of developing these frameworks, but

with the support and participation of the social partners. It is common for these frameworks to have been codified in national legislation, which can take the form of a single comprehensive act, as in Malaysia (the Human Resources Development Act, 1992) and in South Africa (the Skills Development Act, 1998). They can also comprise a set of different but mutually supportive laws that cover various areas of education and training. These frameworks and laws provide for the establishment of new or reform of existing institutions, often with enhanced responsibility and participation of the social partners.

Commonly, national legislation and frameworks on human resources development have spurred the growth of tripartite and bipartite institutions for the governance of learning and training for work. These have different names, such as Training Authority, Training Council or Training Board. Often acting as autonomous bodies, they operate on the basis of policy guidelines established by national socio-economic, employment and labour councils, as in the case of many European countries and NEDLAC in South Africa.

These training boards have different briefs, depending on the national context. Often established to advise governments on education and initial training reforms, many have focused their activities on linking learning and training to enterprise issues such as competitiveness and improving workers' employability. Their functions may be primarily advisory, promotional and proactive, and based on analysis of and dialogue on employment trends and skill requirements. Their clients are governments, employers, training institutions and other partners in lifelong learning and training. They often assume regulatory functions, for example in areas such as establishing criteria for and supervising quality of training; defining priorities and allocating resources; endorsing training standards; establishing criteria for accrediting training institutions, providers and programmes; and ensuring that equity objectives are met in increasingly market-based systems of learning and training. In some countries, they oversee their own training institutions. The effectiveness of these boards is often enhanced when they operate in a decentralized manner, addressing sector-, industry- and local area-based training needs. They have often been active in developing various types of networks and partnerships, for example between large and small enterprises, in groups of SMEs, with local authorities and development agencies, and with other public and private partners at local and regional levels.

In Austria, the Federal Advisory Council on Vocational Training and its counterparts at the state level, the State Advisory Councils on Vocational Training, are responsible for advising administrative authorities on vocational training matters. The initiative to revise training regulations normally comes from the social partners, and their content is usually drawn up by the Council. The Advisory Council is also empowered to submit reports and proposals to the federal education authorities on all matters relating to vocational training provision regulated by the Initial Vocational Training Act. The Advisory Council can take the initiative itself or respond to requests from the Federal Minister for Economy and Labour or the federal education authorities (CEDEFOP, 2000).

In Egypt, the tripartite Supreme Council for Human Resources Development, served by an Executive Committee and a technical secretariat, formulates training policy. Its Policy Statement on Skills Development (1999) focused on institutional reforms, the role of private sector training providers, and training qualifications and standards; financial reforms, management and control; establishment of a national

qualifications framework; reviewing donor-supported initiatives; reforming the administration of government training centres; development of sustainable funding arrangements; and establishment of performance monitoring systems.

Ireland provides a good example of interaction between legislation and the evolving institutional framework for learning and training. National training policies are decided by consensus and contained in three-yearly agreements drawn up by a socio-economic council. The agreements cover a wide range of economic and social policies, not only training. Government policy emphasizes retraining laid-off workers. A policy report that examines lifelong learning is due in mid-2001. Training policy is implemented through the Training and Employment Authority (*Foras Áiseanna Saothair* – FÁS). Recent legislation provides for a new national institution, the National Training Fund (NTF), that finances training. The Labour Services Act 1987 assigns FÁS responsibility for providing training in all industries and organizations. FÁS could require a particular industry to establish a bipartite Industrial Training Committee to oversee its training programmes. Until 2000, the Committees also had the power to impose a levy on employers to finance training. However, the newly formed NTF will take over this responsibility and the funding of FÁS. Legislation adopted in 1993 provides for the funding of apprenticeships. This scheme is a partnership between industry, FÁS and vocational education authorities. The Qualifications (Education and Training) Act, 1999, lays down the procedures for setting up academic and workplace bodies to ensure effective accreditation of workplace learning.

Many other countries are going through similar processes of institutional and legislative development. However, these tend to lead to different institutional arrangements that depend on national conditions and the capacity of the social partners to assume responsibility in managing, financing and running the institutions. In many countries, however, particularly developing countries, the State continues to assume prime responsibility, while in developed countries it is devolved to the social partners.

These institutions do not operate only at the central level. They have often decentralized many of their functions to the regional, local and sector levels in order to improve the relevance and responsiveness of training and accommodate better the specific dimensions of training needs at these levels. For example, in Argentina, the Vocational Training Council of Rosario and its Region (CCFP) created in 1997 is a bipartite entity that has established links with municipal and national authorities, and is engaged in improving curricula and the cost-effectiveness and quality of training of institutions in the region. In Norway, the National Council for Vocational Training (RFA) comprises sectoral training councils. These provide national authorities and the RFA with advice on training in recognized occupations for which they are responsible. They are engaged in activities relating to institution- and workplace-based training, including skills recognition. They also advise the county and bear major responsibility for implementing vocational training on behalf of the county authorities.

Key elements of these new institutional frameworks are the policies, institutions and mechanisms for financing learning and training. These are examined below.

2. Financing investment in learning and training for work

Countries commonly tap a variety of sources to finance training. For example, China finances training through sources such as government budget allocations, self-

financing by enterprises, non-profit organizations, loans and tuition fees, income creation by training institutions, donations and grants. State regulations stipulate that 1.5 per cent of enterprises' payroll shall be used for workers' training. A certain proportion, usually 15 per cent, of local governments' employment and unemployment insurance funds shall be used for pre-employment training, and retraining of the unemployed (China, 1999).

The ILO's *Conclusions* recognized that investing in education and training can be a shared responsibility of both the public and private sectors. Governments "must always assume the primary responsibility for investing in basic education and initial training"; and "share the greatest responsibility for investments directed at groups" that run the risk of social exclusion or discrimination. Governments also assume a prime responsibility for ensuring that individuals are not denied access to education and training on financial grounds. On the other hand, investment in workplace-based lifelong learning and training that raise workers' employability and enterprises' competitiveness is the domain of both enterprises and individuals. Private sector responsibilities in this area are best discharged through partnerships between government and enterprises, between government and the social partners, or between the social partners (*Conclusions concerning human resources* ..., paragraph 11).

Shortages of financial resources are practically a universal problem, and education and training have been an area of often chronic underinvestment in many countries, particularly in the developing world. Slow economic growth has put a strain on government financing of education and training. Public education budgets often fluctuate widely and have frequently decreased in relative and absolute terms. Enterprises rely less and less on the public training system for meeting training needs that arise from their efforts to keep abreast of rapid technological and workplace change and maintain competitiveness. They often consider public training inefficient and divorced from their needs. They consequently finance and also deliver their own learning and training programmes. Soft skills, such as team-working skills, are increasingly demanded as enterprises introduce flatter organizational structures. These skills are also best developed in the workplace, giving the enterprise an absolute advantage in investing in workplace-based learning and training.

Hence the call for diversifying the sources of financing in order to increase and, importantly, improve the quality of investments in education and training. A general principle that has often been followed is to base investment responsibilities on the objectives of training, i.e. whether it is intended to benefit the individual, the enterprise or society. Enterprises and individuals are the main beneficiaries of education and training, and are consequently being asked to assume a greater share of financing learning and training programmes.

Meanwhile, governments increasingly focus their efforts on creating an environment that will encourage private sector partners to invest in education and training. They deploy various incentives – legal, financial and motivational – for enterprises and individuals to invest in education and training. However, they directly intervene in financing learning and training in areas where there is little incentive for enterprises and individuals to invest, for example by supporting learning and training for SMEs. Governments assume the social responsibility of investing in learning and training services that target disadvantaged groups, in an effort to integrate them into economic and social life.

Governments' role in financing learning and training for work

The financing of active labour market programmes is a primary task of many governments. In EU countries, governments' financing of these programmes comes under the umbrella of national action plans for employment. These plans are given a significant boost by supplementary funding from the European Social Fund (ESF). In addition to other objectives, such as economic and social reconversion of areas facing structural difficulties, the Fund supports efforts to combat long-term unemployment. It also facilitates transition into skilled work of young persons and people who have been excluded from access to the labour market. For the 2000-06 period, around 60 per cent (€34 billion) of the Fund's total budget of €57 billion is allocated to active labour market programmes that improve employability across the EU. Out of this sum nearly a third (€11 billion) is earmarked for the fight against social exclusion. The Fund also supports entrepreneurship development (€8 billion) and improving the adaptability of the European labour force by prioritizing lifelong learning, ICT use and SME-oriented activities (€11 billion). Specific programmes to support gender equality have been allocated another €4 billion (European Commission, 2001b).

In Denmark, the National Action Plan for Employment has been instrumental in reducing unemployment between 1992 and 2000 by almost half (from 9.2 to 4.7 per cent). The Plan has formulated ambitious objectives to reduce youth and long-term unemployment. Every young person is offered an individual employment plan that gives him or her an opportunity to start a job or undergo training within six months of having registered as a jobseeker. Considerable success has been achieved; youth unemployment has dropped from 12.2 per cent in 1992 to 7 per cent in 2000 (European Commission, 2001a). For the 2000-06 period, the ESF has allocated some €380 million in support of active labour market measures in Denmark, with the Fund's contribution amounting to 1.8 per cent of total national expenditure on such active measures. In some other countries the share of the Fund in financing active measures is much higher, for example in Greece (58.4 per cent of total expenditure on active labour market measures) and Portugal (40 per cent).

Market imperfections often lead to underinvestment in education and training. The case of training in and for SMEs is a case in point. Again in the European context, many government programmes, assisted by the ESF, encourage more effective transfer of technology, particularly ICT, to SMEs by means of employee training, support for the development of ICT networks, and improving collaboration between SMEs and ICT research and development centres. The development of multimedia training packages and a range of open and distance learning methods to promote ICT skills development in SMEs are features of many programmes. Partnerships among SMEs and between SMEs and other institutions can also overcome market imperfections and raise investments in training. Partnerships are reviewed in some detail in section C.3 below.

Enterprise investment in learning and training for work

The *Conclusions concerning human resources training and development* recognized that "enterprises have a critical role to play in investment in training" (paragraph 12). In a large number of countries the private sector is responsible for skill development on a substantial scale. The State may have dominated the provision of

high-profile institutional training. However, the private sector, through innumerable types of learning and training activities, many of them informal and discernible only to those directly involved (see further on workplace-based learning in section C.3), may well be making the greater contribution overall. Some firms, particularly in competitive high-technology sectors, spend significant shares of their operating expenses on *training staff*. For example, Singapore Telecommunications Ltd. spent 4 per cent of payroll on training in 1998. On average, each employee was allocated two training places and received 40 hours of training. According to the annual benchmarking exercise of the American Society for Training and Development (ASTD) covering selected countries and regions, training investments in 1998 were highest among respondents in the United States (US$724 per employee) and lowest in Asia ($241 per employee). Calculated as a percentage of payroll, training expenditures were highest in Europe (3.2 per cent), while in the United States they were 2 per cent and in Japan 1.2 per cent. These figures are roughly indicative of training investment in those enterprises that responded to various national surveys compared in the ASTD report. They *do not* represent the training investments of all enterprises (ASTD, 2000).

The *Conclusions concerning human resources training and development* advocate the use of various mechanisms to further investment in training. These may include levy systems on enterprises accompanied by public grants, establishment of training funds, and various incentives for training and learning, such as tax rebates, training credits, training awards, individual training accounts, and collective and individual training rights. Some of these mechanisms are briefly reviewed below.

Levies: In the interest of securing stable and adequate financing of vocational training, countries sometimes pre-allocate or earmark certain direct taxes exclusively for vocational training. These levies may be assessed by public authorities in the form of compulsory taxes, or voluntarily through industry groups, for example in the case of German Chambers of Industry and Commerce. Levies generally have the advantage of high potential for revenue mobilization. They can be based on the output or on the payroll of enterprises. Output-based levies have been used in such countries as Ecuador, Kenya and Mexico. Payroll taxes are more common in both developing and developed countries. They may take the form of revenue-generating schemes and incentive-based schemes.

Revenue-generating payroll taxes have been used in Latin America in particular. The money raised through the levies has financed training institutions managed by the social partners. With sustained, reliable financial resources raised by means of the levy, various training agencies such as the SENAI in Brazil, SENA in Colombia and the National Institute for Education Cooperation (INCE) in Venezuela have developed into strong organizations capable of responding widely and quickly to changes in the market requirements for skills. However, such levies have in some cases reduced self-financed training by firms. Box 4.3 illustrates another type of revenue-generating mechanism run by the Japanese Employment Insurance Scheme.

Incentive-based payroll levies are intended to encourage enterprises to establish or broaden their in-plant training provision. There are two basic types of incentive scheme: disbursement schemes, whereby the tax is collected from all enterprises, then disbursed back to some firms that meet training criteria; and exemption schemes, whereby firms are able to reduce or eliminate their payroll and other taxes to the extent that they provide acceptable training in-house. Although used in many countries, levy-grant systems have often failed to increase workforce learning, which is usually their

Box 4.3
Japan: Workers' vocational abilities development

The Employment Insurance Scheme in Japan has a special account for "Workers' Vocational Abilities Development". The scheme finances training institutions and gives financial assistance to authorized training programmes in the private sector. The Human Resources Development Promotion Law of 1985 sets the eligibility rules and standards for training financed out of the insurance scheme. The Vocational Abilities Development Service administers the account and provides small firms with subsidies and grants for in-house and external continuous training of staff. However, most of the cash surplus generated is used to build new public training complexes.

Source: Asian Development Bank, undated.

primary function. They often build up a cash surplus; owing to bureaucracy and complicated application procedures, few companies seek grants for training.

Singapore's Skills Development Fund (SDF) runs a disbursement scheme that has been highly successful in raising training investments by enterprises. It also gives financial incentives to workers who prepare to join the workforce and those re-entering the workforce. It encourages the development of higher-level skills to support economic restructuring and knowledge-intensive industries. The Fund collects a levy and provides employers with grants for approved training programmes. As an incentive for enterprises to upgrade their workers' skills, the levy is imposed on the wages of low-skilled workers earning less than 1,500 Singapore dollars (S$) a month. The levy has frequently fluctuated as international economic conditions have changed. It was originally set at 2 per cent of eligible wages, was raised to 4 per cent in the boom years in the early 1980s, and is at present 1 per cent. In 1998, some 565,000 training places were supported through grants by the Fund. In that year S$88 million were committed, raising the total amount committed since the start of the Fund in 1979 to S$1.5 billion. The SDF is successful because its practices change as conditions change.

France has two exemption schemes, the *apprenticeship tax* (0.5 per cent of payroll) for initial training, and the *training tax* (1.5 per cent of payroll for enterprises with ten or more employees; 0.15 per cent for those with fewer), used primarily to finance lifelong learning of enterprise staff. The focus has shifted from general educational and cultural development of staff towards continuous education and training for employment. All enterprises benefit in proportion to the number of employees they have. The scheme has led to increased training expenditures that exceed the total amount of taxes paid by enterprises.

In another variant of the exemption scheme, Chile gives enterprises a direct credit, up to a certain limit, on taxes (income or payroll) that they would otherwise have to pay. The Chilean scheme has been quite successful as employers considered that they were in control of training initiatives and that it saved them money to train staff rather than pay the tax. By contrast, the Brazilian Tax Rebate Scheme has been less effective, owing among other things to lack of information about the system, unclear requirements, and complicated procedures in applying for exemption.

Training agreements and training funds: Voluntary collective agreements can raise enterprise contributions above any compulsory contributions. The potential is greatest in middle- and high-income countries where the enterprise sector is developed, collective bargaining takes place on a sector- or industry-wide basis, and where both employers and workers value the contribution that training makes to productivity and competitiveness. Collective agreements at national, sectoral or enterprise level often include special training-related clauses and provide for the creation of sectoral and regional training funds. Voluntary training agreements have been established in such countries as Belgium, Denmark, France, the Netherlands and Sweden. In Denmark, sector collective agreements that contain a training clause cover an important part of the entire Danish workforce (see Gasskov, 1994, p. 9). Box 4.4 gives examples of some collective agreements in Europe to establish training funds that finance workers' lifelong learning and training.

Other European countries and many African countries, such as Benin, Cameroon, Chad, Côte d'Ivoire, Morocco, Zambia and Zimbabwe, as well as Asian countries, such as Malaysia and Singapore, have established training funds, which often raise the bulk of their resources from training levies. For example, in Côte d'Ivoire, the Voca-

Box 4.4
Training funds in Europe: Financing workers' lifelong learning and training

Based on voluntary bipartite agreements, training funds have been established in many European countries. They give employers and workers the initiative and control over training, without any state interference. They also allow for joint fund management by workers and employers and include cost-sharing arrangements between enterprises. In Belgium, a levy is imposed through collective agreements and collected by the social security system to finance sectoral training funds. The funds finance training policy development and trade union training. Enterprises also contribute a payroll levy of 0.25 per cent to finance training for disadvantaged groups. The levy is paid to the National Employment Fund and exemption is granted to firms which provide the required training. In France, training funds are managed by bipartite administrative councils. The funds can also receive subsidies and donations. Enterprises that pay for training are exempted from the compulsory employers' payroll levy. Similar sectoral funds in the Netherlands receive a government contribution to subsidize apprenticeship training. In Germany, a few sectoral funds have been established under the terms of collective agreements. They operate without tax support. Training levies are paid by some Chambers of Industry to finance training for their members. In addition, sector funds have been established by collective agreement for the construction industry, horticulture, stonemasonry and the roofing and tiling industries. The levies collected by these funds do not cover the total cost of vocational training for the firm. Employer contributions are used chiefly to meet the expenses incurred by firms in establishing multi-firm training centres.

Source: Gasskov, 1994; Johanson, 1996.

tional Training Development Fund (FDFP) raises resources, manages enterprises' training plans, and supports training in non-contributing informal and small enterprises, and for specific target groups. The FDFP manages 50 per cent of levy proceeds for lifelong learning activities (1.2 per cent of payroll); the other 50 per cent are managed by the enterprises themselves for training that meets FDFP criteria.

Training awards are another tool to encourage investments in learning and training. Awards are given to enterprises and institutions in recognition of excellence achieved in their learning and training programmes. They act as models and benchmarks for other enterprises and institutions to emulate. For example, the Irish Institute of Training and Development organizes an annual awards scheme for enterprises whose training arrangements meet specified criteria. The Investors in People Standard in the United Kingdom is a similar initiative of the Confederation of British Industry (CBI). The Government of Bahrain gives an award to the enterprise judged to have performed best in training during the year. The award is based on the level of enterprises' training investment and on the number of Bahrainis trained and who subsequently replace expatriates. In Portugal, the Institute for Innovation in Training (INOFOR) grants awards for good practice in training. There is also a move to establish a Forum on human resources development and training which would decide on awards based on benchmarking procedures.

Financing learning and training for work: Empowering the individual

Various methods are used by governments, as well as employers, to empower the individual to assume responsibility, including financial responsibility, for his or her own learning and training. They include fellowships, vouchers, student loans and new financial mechanisms such as "individual learning accounts". These are briefly reviewed below.

Training vouchers are entitlements to certain broadly defined training services for a given amount of money. A certificate can be issued, or the individual can receive a tax credit. Vouchers are designed to raise training efficiency and effectiveness by enhancing the individual's choice. The assumption is that if individuals are given free choice and enough information about the training provider and the labour market, they will select, firstly, the type of training that will maximize their future returns. Secondly, they will choose the training provider that is most likely to produce successful graduates with good job prospects in the labour market. Vouchers are also a means to ensure that individuals have access to training. For example, the State of Styria (Austria) runs three voucher schemes that target different clienteles: individuals who want to start their own business; those who have completed an apprenticeship but want to undergo further training over a period of five years after apprenticeship; and people who want to gain special qualifications in areas such as computing, computer-aided design and manufacturing (CAD/CAM) and marketing. In all these schemes the duration of training must be at least 80 hours. A certificate is awarded after successful completion of the course (Heidemann, 2001). Another example is the voucher scheme run by the Micro-Small Enterprise Training Fund for entrepreneurs in Kenya's *jua kali* or informal economy (see section C.3 below).

Voucher schemes often rely on the private market to deliver training. Substantial monitoring systems must be created to keep accreditation of institutions up to date and

to prevent fraud and abuse. Without information about training courses available, vouchers may encourage recipients to waste money on inappropriate and poor-quality training. Moreover, voucher systems could undermine public providers if individuals made them the institutions of last resort. Equity problems could arise because individuals with more resources could afford to pay additional expenses over and above the voucher and presumably receive better training.

Student loans can, under certain conditions, be an attractive means to promote financing of training by beneficiaries. The loan finances immediate training and is repaid over the long term out of increased earnings that accrue as a result of the training. In the United States an extensive system of student grants and loans enables students to attend many proprietary schools, community and technical colleges and universities. In 1996-97, US$28.5 billion was spent on student (and family) grants and loans at all levels. However, student loan systems are not easy to adopt in developing countries. Few loan schemes are available there, and those that do exist target university students. Such schemes require substantial administrative systems to review applications, disburse funds and especially to arrange repayments. Student loan schemes are not very appropriate for lower-income countries, lower-income individuals, or lower levels of training. They are best suited to advanced skill levels and short training programmes with immediate job prospects. Nevertheless, while student loan programmes do not promise immediately to mobilize additional private resources for learning and training, they should be considered as one element in a package of policy measures.

Individual learning accounts have been the focus of much debate and some experiments in recent years. These are tools to enable hitherto under-represented groups of workers, such as those with low incomes and little education, to access lifelong learning opportunities and widen their choice of learning, and to empower them to meet their own learning needs in the training market. Supplemented by public – and often employer – subsidies, they encourage individuals to invest in their own learning and training.

Austria and the United Kingdom have initiated learning accounts schemes, and Sweden will start one in 2002. In the United Kingdom, during the start-up phase 2000-02, the Government gives individuals a subsidy of £150, directly paid into a "virtual" account with a training provider, together with a contribution of at least £25 paid by the individual. The Government plans to finance 1 million learning accounts, the subsidy varying according to the type of training. IT courses attract a subsidy of 80 per cent, up to a maximum of £200, while other courses receive 20 per cent, up to a maximum of £100. In a pilot project in Gloucestershire, most learning accounts were opened by low-income earners, middle-aged and older individuals, and people with little education. Three-quarters had an annual income of less than £15,000. Courses covered a range of areas, a third of them being in ICT.

Sweden is planning to launch an ambitious national individual learning accounts scheme (IKS) in 2002. Unlike in the United Kingdom, individuals conclude savings agreements with banks, insurance companies or fund management organizations. Based on contributions by the Government, employers and individuals, some 1 million accounts will be established for individuals aged 30-55 and earning €6,000-€25,800 a year. Provided they put money into their account, they will receive a subsidy of the same amount up to a limit of €300. Money can be withdrawn from the account to finance further training courses of at least five days' duration. Such withdrawals are

taxable, but are subsidized by a state skills support payment, up to a maximum of €1,125, for long-term further training. In 1999 Parliament allocated some €140 million to the scheme; to this will be added approximately €35.8 million a year to fund the tax relief on employer contributions to the accounts.

Unlike the United Kingdom scheme, IKS does not build on pilot projects, but on the experience of individual companies. One example is the Skandia Insurance Company, which runs an individual training insurance savings scheme that finances paid training leave. If employees save in an insurance account, the company also pays contributions into a parallel account. If that individual then makes use of his or her right to training leave, the money accumulated on both accounts is used to finance continuous payment of wages. In the two years that the Skandia project has been running, 40 per cent of employees have signed individual agreements with the company.

3. Provision of learning opportunities and training for employed workers

Partnerships

Partnerships in various combinations between government, employers' organizations, trade unions, local government, enterprises, intermediary institutions and other stakeholders are increasingly the preferred arrangements for providing opportunities for learning and training for work. Sometimes partnerships are established at national level to promote training efforts for improved competitiveness of enterprises across sectors. Skill development activities are often combined with other practices for improved enterprise performance and better conditions in the workplace. They can also be given an equity dimension by targeting particular groups of workers, for example low-paid and poorly educated workers who need basic skills to boost their employability and income-earning prospects. Learning programmes can range from basic literacy and numeracy to professional training. The majority of learning and training partnerships tend to have a sector, industry or "cluster" focus.

In the United States, the School-To-Work Opportunities (STWO) Act (1994) promotes the establishment of local partnerships that include employers, education institutions, educators, unions and other groups such as professional bodies. Work-based activities are mandatory features of any STWO scheme and include work experience, planned programmes of pre-employment, on-the-job and progressive training, workplace mentoring, instruction on competences, industrial knowledge, positive work attitudes and employability. School-sponsored enterprising activities are positively encouraged. By 1998, 1,100 partnerships in 44 states had been established.

Partnerships initiated by trade unions: In the United Kingdom, in 2001 the Trades Union Congress (TUC) set up a new Partnership Institute which promotes employer/trade union partnerships in industry. Its aim is to commit enterprises to organizational performance through learning and training and make them responsive to the needs of changing product markets. It also supports enterprise measures to improve employment security and quality of working life (Taylor, 2001). Also in the United Kingdom, UNISON, a large union covering mostly public sector employees, provides a new form of workplace learning, "Return to Learn" (R2L), in partnership with employers (see box 4.5).

Box 4.5
Trade union-employer partnership in training: UNISON's R2L programme

The Return to Learn (R2L) programme targets low-paid and low-skilled workers. Individuals, mostly UNISON members, can engage in learning at one of four levels: the first three, starting with basic literacy and numeracy, are free; the fourth, in professional training, is fee paying. Employers provide financial support and time off for learning. Workers' employability is enhanced as the skills learned are recognized by employers. By 1998, some 6,000 students had completed R2L; an earlier study showed that 80 per cent of students were women and 42 per cent part-time workers. Many participants belonged to ethnic minorities.

Sources: Private communication with UNISON; Munro and Rainbird, 2000.

Sector- and industry-based training provision: There is a long tradition of sector- and industry-based education and training in OECD, Latin American and Asian countries. These are frequently run and supervised by the relevant sector employers' association. Being employer-led, sector initiatives have the advantage of providing training that is demand-driven and tailored to fit the particular industry's needs.

An example of a recent sectoral partnership is the "ICT Consortium" formed by major ICT companies in Europe with the objective of filling the large skills gap in the industry (see box 4.6). In Latin America, various sectoral chambers are broadening the range of services they offer to their members, extending into areas of research and development, and training and skills development. In Mexico, the National Chamber of the Textile Industry (CANAINTEX) provides training services through the Textile Training and Skills Improvement Centre (CATEX). In Argentina, graphics companies have promoted training through the Project Gutenberg Literary Archive Foundation.

Addressing the training needs of small and medium-sized enterprises

In comparison with larger enterprises, small firms face disadvantages in acquiring knowledge and upgrading the skills of their workers. SMEs often cannot afford to train their staff. Courses available may be ill tuned to their particular needs. Among small firms, entrepreneurs' and their workers' motivation to acquire new skills is important.

Sector-based SME training and partnerships: Some of the most promising initiatives for SMEs have been sector-focused and have often involved intermediary institutions that provide or organize training, combined with services and capacity-raising initiatives. These initiatives frequently engage bodies or associations that represent enterprises in a sector.

In Spain, the ASCAMM entrepreneurial association, comprising (in 1996) some 150 small firms in the mould and die making sector, has established its own Technology Centre which provides training courses alongside other services in order to raise the firms' competitiveness. The links between the centre and the association facilitate the communication of ideas for the continuous improvement of services (Pyke, 2000).

Box 4.6
A sector partnership: Overcoming the ICT skills shortage in Europe

With the support of the European Commission, seven major ICT companies in Europe – IBM Europe, Nokia Telecommunications, Philips Semiconductors, Thomson CSF, Siemens AG, Microsoft Europe and British Telecommunications Plc. – have formed an "ICT Consortium" and embarked on a pilot project to explore new ways of addressing the skills shortage. The objective of the project is to put in place a framework for students, education and training institutions and governments that describes the skills and competencies required by the ICT industry in Europe.

To achieve that objective the sponsor companies have:

- developed Generic Job Profiles relevant to their main activities; and
- created a dedicated website, www.career-space.com

The goal is that these job profiles will:

- attract more students into ICT courses and employment by providing attractive, plain-language profiles of the jobs, roles and opportunities in the industry today;
- provide higher education ICT curriculum designers with clear, up-to-date and easily accessible information on the skills needed by the industry; and
- assist governments in developing policies to foster the growth of ICT skills in Europe.

Source: Career Space web site at www.career-space.com/project_desc/serv.htm

In Thailand, enterprises face increasing pressure from leading inward investors to improve performance and quality, particularly among car manufacturers. A government intermediary institution specializing in technology transfer and training, the Metal Industries Development Institute (MIDI), assists small firms in metalworking and associated sectors in upgrading their technology, training and production processes. MIDI has helped establish sectoral entrepreneurial associations, such as the Thai Foundrymen's Society, which can transmit to MIDI and other institutions their needs for training and other services (ibid.).

Cluster strategies: Industrial sectors, geographically concentrated in "clusters", can benefit from being served by tailored courses that are available in the area. In the Republic of Korea, the Kumi Electronic Industry Complex is composed of around 150 electronics-related firms, mostly SMEs, together with supporting firms and agents. It is served by specialized educational institutions such as the Kumi Electronics High School and the Keum-oh Engineering College (Kang, 1996). In Pakistan, the Sialkot surgical instruments cluster has been developed with the help of local institutions such as the Apprenticeship Training Institute of Sialkot and the Metal Industries Development Centre (Aftab, 1998). In the United States, the New York garment industry is served by its own dedicated intermediary institution (see box 4.7).

In the region of Valencia in south-eastern Spain, a network of 11 technological institutes provide local small firms with developmental services, including training,

Box 4.7
The Garment Industry Development Corporation (GIDC) in the United States

The GIDC is a tripartite intermediary institution that serves a cluster of around 4,600, mainly small, New York garment firms facing intense competition. An important part of GIDC's activities are training programmes in specialized skills for both workers and management. Over 1,000 garment workers and management personnel are trained every year. Training is provided in conjunction with other initiatives in order to raise the competitiveness of the cluster, e.g. the promotion of quick response technologies, demonstration projects and an international marketing service.

Source: Herman, 1998.

tailored to the specific needs of sectoral clusters in the textiles, footwear, ceramics and toy sectors. Each institute is linked to an association of small entrepreneurs, who also comprise the majority of its board members. This arrangement, coupled with a sector focus, encourages the institutes to be more client-sensitive and increases the relevance of their services, including training (Pyke, 1994).

Supply chain programmes are another innovation to train workers in small firms, often with government support. When small firms become sufficiently competent they can expect orders from lead firms, which may then transfer knowledge down the chain by providing expertise or facilities, or both. The lead firms, the local small suppliers and local training institutions, and possibly other actors as well, may also enter into a partnership to develop the suppliers. In Argentina, the Sub-suppliers Development Programme promotes cooperation between large and small firms for improved quality, efficiency and technical development as suppliers to lead firms in the automotive, agro-industrial, textiles and iron and steel sectors. Participating small firms receive training in quality control, industrial design and technological upgrading (Massimi, 1998, p. 369). Another supply chain initiative is the Global Supplier Programme in Malaysia (see box 4.8).

Groups of SMEs with common needs may form partnerships, for example, in applying ICT, in order to overcome resource problems by sharing training costs, or costs of hiring specialist expertise. They can join in partnership with regional agencies, including training agencies, to identify future skill needs and develop appropriate curricula. In Mexico, the Integral Quality and Modernization Programme (CIMO) addresses groups of small, medium-sized and micro-enterprises that have common problems or characteristics. CIMO provides integrated services, including training, information, consulting services and technical assistance. It operates through Training Promotion Units established within entrepreneurial associations (CINTERFOR, 2000).

Local and area-based partnership strategies: A broader partnership approach involves the management of change, on an area or local basis, by integrating training strategies with the provision of other development strategies and enabling inputs. These may include access to finance and quality testing and measurement centres;

Box 4.8
Malaysia: The Global Supplier Programme

The Penang Skills Development Centre in Malaysia runs the *Global Supplier Programme*, which develops the capacities of local companies through training and linkages with transnational corporations (TNCs). The state Government provides financial incentives, industry shares resources and expertise, and the SMEs make a commitment to transform their technology and operations. Manufacturing and material suppliers are trained in critical skills and competencies to use new technologies. TNCs then "adopt" local companies, and upgrade their leadership skills and technology. Such mentoring and coaching have proven successful; some suppliers have attained sufficient levels of competency to become global actors themselves. Periodic assessment, review and benchmarking of the performance of SMEs are significant features of the programme.

Source: UNCTAD, 2000.

assistance with implementing health and safety measures; marketing assistance, supply chain and networking programmes; streamlining of regulatory procedures; and the provision of participation-enabling welfare and childcare facilities. Such strategies may require cooperation, dialogue and consultation among many local and regional institutions and organizations. In El Salvador, members of the Local Economic Development Agency for the Department of Morazán include development associations, women's associations, cooperatives and foundations. The Agency provides credit, project design and management services, technical assistance in various productive activities, and training in business administration, organization, environment and soil preservation. In 1998, the Agency carried out 24 seminars for training, involving 650 micro-entrepreneurs. In Mongolia, local economic development agencies serving the Arkhangai and Bulgan provinces provide technical assistance for microcredit projects; training courses; and short-term loans for women to establish micro-enterprises or cooperatives. Similar agencies have also been set up in Bosnia and Herzegovina, Bulgaria, and Croatia.

Transforming the informal economy: Addressing the needs of micro-enterprises, entrepreneurs and self-employed workers

In many less developed countries, structural adjustment, economic stagnation and contraction of the formal economy have resulted in massive growth of an informal economy in which people eke out a living, however meagre. Training can be an instrument to address the formidable challenge of the informal economy.

Policies for transforming the informal economy: The ILO's *Conclusions* recommend that learning and training for workers in the informal economy "should go in conjunction with other instruments, such as fiscal policies, provision of credit, and extension of social protection and labour laws, to improve the performance of enterprises and the employability of workers in order to transform what are often marginal,

survival activities into decent work fully integrated into mainstream economic life. Prior learning and skills gained in the sector should be validated, as they will help the said workers gain access to the formal labour market" *(Conclusions concerning human resources ...,* paragraph 7*)*. Subcontracting, accompanied by technology transfer and training, can assist in improving productivity of workers in the informal economy.

Few countries have workable policies and programmes that follow the above recommendations. In Kenya, however, after more than two decades of benign neglect, the Government has recently adopted a dual strategy to encourage economic growth in the *jua kali* or informal economy. It has removed legislative obstacles that hinder growth and invited banks and training providers to participate in a training voucher scheme (TVS) to develop entrepreneurial and technical skills among micro-and small enterprise (MSE) entrepreneurs and workers. A US$11.5 million MSE Training Fund distributes 6,000 vouchers yearly to MSE entrepreneurs as "payments" for training with a provider of choice. The vouchers have had positive social effects as they assist women entrepreneurs (who receive 40 per cent of the vouchers) in starting up businesses. The remainder benefits growth-oriented manufacturing micro-enterprises. Most training provides readily useable skills and practices, delivered in less than a month. Most vouchers are used to buy the services of master-craftsmen(-women) in various trades, the remainder going to management and other forms of entrepreneurial training. Despite these favourable outcomes, further interventions, such as credit and technology upgrading, are needed to enable *jua kali* entrepreneurs to create more and better jobs, and graduate to the next layer of formal small and medium-sized enterprises (see Haan, 2001, pp. 26-27).

Redirecting programmes of formal vocational education and training (VET) institutions has occasionally been undertaken to meet better the skill needs of farming and informal manufacturing and services. In the United Republic of Tanzania, the Legruki Vocational Training School used to train for formal wage employment, but did not cover adequately the multiple skills and technologies required for success in self-employment. Based on a market survey in the local area, the curriculum was revised to shift from single to multiple skills, build from local market opportunities, incorporate useful traditional skills, and increase the flexibility of course offerings. A tracer study of about half of all graduates since 1980 found that more than 90 per cent were employed, the majority in own-account jobs in both villages and urban areas (Middleton et al., 1993, p. 222).

Upgrading informal apprenticeship: Skills and training supply for the informal economy can be increased by strengthening informal apprenticeship, common in many African countries. An NGO, *Environnement et Développement du Tiers-Monde* (Enda-tm) operating in several countries, mainly in north-west Africa, targets its training on disadvantaged young people in semi-urban areas, helping them find employment in micro-enterprises, in partnership with informal artisans. For example, parents of the prospective apprentice select the artisan/trainer, whose suitability and competence are tested by Enda. A two- to three-year training programme is agreed upon by the artisan and the apprentice, supplemented by literacy training in French or a local language. Training is practical and geared to self-employment. External evaluators assess the progress of the apprentice every three months. Enda often compensates the artisans for the time they spend on training an apprentice, for example by providing equipment and raw materials. Enda also intervenes with banks to support artisans who need loans so that they can manage large orders (Barcia, 1996).

In a new development (Act No. 12.00 of 1 June 2000 respecting apprenticeship), Morocco is transforming a traditional, informal type of apprenticeship, based on an oral contract, into a structured, formal system of learning and training, endorsed by law. The apprentice signs a contract for in-house training with an establishment or enterprise, combining it with general and technological training, for example in a recognized education and training institution, public service establishment, or another enterprise. The apprentice may also sit an examination for a diploma or other qualification. Enterprises are given incentives to take up apprentices, such as exemption from social security contributions; the State also pays for the training of (apprentice) supervisors (Morocco, 2000).

Enterprise and workplace learning

The workplace is becoming a major source of lifelong learning. Learning in the workplace includes apprenticeship as part of initial training, mostly of young people. Developments aimed at modernizing apprenticeships were discussed in Chapter III. The present section covers workplace learning and training for workers who are already employed.

Workplace learning is expanding rapidly in enterprises, boosted by online learning opportunities made accessible to employees. In addition, many new "soft skills" such as team-working, initiative, communication skills, etc., that are increasingly demanded in today's flatter organizational structures are better learned at work, often informally, than in formal education and training settings. The rise of workplace learning challenges some entrenched practices in traditional training systems. Several countries have recognized the implications for trainers and curricula. Using competency-based assessment techniques, countries like Australia, Bahrain, Egypt and South Africa are establishing systems of "formally" recognizing these informal skills irrespective of where and how they were acquired. Endorsed by the social partners, workplace learning is the now the acknowledged domain and responsibility of enterprises and organizations.

ILO research suggests that learning does not need to be an accidental outcome at work, but can be used to meet the individual's development needs, while harnessing it to advance the enterprise's strategic and organizational objectives (see Ashton and Sung, forthcoming). Learning-rich work environments can be promoted, for example, by capturing and exploiting the vast amount of experience-based or "tacit" knowledge of staff, developing flatter hierarchical structures, and encouraging team building. Studies in Denmark suggest that enterprises increasingly endeavour to tap such tacit knowledge and develop informal ways of learning, comprising both individual and team-based learning. The job context provides the opportunity for people to learn from the supervisor and team-mates, and to benefit from participation in a shared project (Shapiro, 1998). Mentoring assumes an increased importance in the learning process. Box 4.9 illustrates the new context of team- and workplace-based learning.

Learning and training are more effective in combination with other organizational and human resource management practices, such as recruitment and selection of staff, performance-related pay, work (re)design and building of trust between management and staff. These practices are common in high performance work organizations (HPWOs). Hewlett-Packard, the electronics company, gives all of its employees a

Box 4.9
Learning islands – a German workplace innovation

In the Mercedes-Benz plant in Gaggenau, learning islands develop employees' technical and social skills; accustom them to team-working; and help the company learn from alternative organizational forms and structures to shape its future organization. The learning islands are located in a separate section of the work area which contains production and educational facilities and where employees work in teams on integrated and complex project-oriented tasks. These include planning and solving logistical problems. The semi-autonomous working groups are supported by a mentor who coordinates and intervenes only when necessary. Having these experimental learning islands close to employees helps them identify with the initiatives and become familiar with the process of change. In this way, it is hoped that resistance to change will be reduced. The group is given clearly defined goals that need to be achieved within a period of five weeks. To encourage employees to look for improvements, feedback about progress is given regularly to the group. Senior workers select mentors who are rostered off the production line to support employees in the learning islands. The learning island team group is responsible for compensating for the loss of productive labour of their mentor within this period. In this way, it is made clear to the young workers what it means to work in an industrial/commercial context. The mentor's role is that of a counsellor: he or she is a contact point for the group, but intervenes only when serious errors are made. The intention is to preserve the group's autonomy as far as possible.

Source: Institute of Personnel and Development, 1998.

computer so that they can access web-based courses. At Nokia, the learning process is increasingly the responsibility of the individual staff member. The company provides the enabling environment conducive to learning. Workers can experiment and learn without fear of punishment for making mistakes.

In HPWOs, all employees are engaged in learning. By contrast, in traditional organizations that display sharp divisions of labour, only managerial and technical staff tend to have access to training. Through their work, HPWO employees are learning and linking their behaviour to the achievement of organizational goals. The United States Social Security Administration (SSA) has extended the brief of its human resources development function to cover career and organizational development and performance improvement. It identifies gaps between the skills needed to meet the SSA's aspirations and those currently available. Targeting some 65,000 federal and 12,000 state employees, the SSA is using modern learning and training technology. At Thorn Lighting, a United Kingdom-based manufacturing company, training and learning are at the vanguard of its technological innovation drive, supported by such practices as cellular manufacturing, building trust among employees, sharing information and rewarding performance. Line operators undergo basic assessment and training for teamwork skills; all employees are also given a basic understanding of team-working.

4. Active labour market programmes and anti-poverty strategies

Active labour market programmes

High and persistent unemployment and marginalization of particular groups in society have prompted a greater emphasis on active labour market programmes, rather than passive support measures for unemployed persons. These programmes target specific groups, including women, young workers, the long-term unemployed, older and displaced workers and workers with disabilities. They are designed to meet the particular needs of these groups, which go beyond training in specific skills to include basic literacy and numeracy training, job-search assistance, vocational guidance and counselling, retraining, employment and wage subsidies, public works programmes, micro-enterprise development programmes, and other support services, where required. The implementation of these programmes involves public services and other partners, including private training providers and NGOs, frequently working under contract to the public sector.

The results of a total of 120 evaluation studies of active labour market programmes in OECD and developing countries suggest that when active labour market programmes are implemented in isolation from other supportive policies and measures, they are often likely to be ineffective (Betcherman and Islam, 2001, p. 314). Their success rate is likely to increase when:

- training programmes are combi d with work experience. In addition to providing training, work placements provide access to employers, who can vet potential employees on the job while they receive job-specific training, which will increase their value to the employer. The removal of the initial access barrier and the provision of sheltered entry into the workplace may be the strongest argument for including work placement in training programmes. The most successful programmes are those that place trainees with private sector employers rather than those offering temporary placement in public sector job creation projects;
- training programmes are (i) targeted to meet the individual needs of specific groups; and (ii) based on careful analysis – e.g. by means of surveys and analysis of employer demand for new skills, and demand generated by other labour market programmes – so that they facilitate transition from unemployment to jobs in growth industries and occupations. In Jamaica, for example, labour market training programmes were designed for specific sectors of the economy, based on an assessment of their skill and training needs (O'Higgins, 2001, p. 113);
- vocational training is combined with measures – wage subsidies, tax incentives, etc. – that encourage enterprises to take up young, older or unemployed workers;
- in the absence of effective demand for skills, labour market training focuses on developing general, portable skills that will enhance individuals' employability and job prospects when subsequent economic expansion is likely to boost the demand for labour. This labour market strategy has been pursued with some success in some Central European and OECD countries, e.g. Sweden;
- measures to deal with the unemployed, displaced workers and other disadvantaged groups are negotiated and agreed upon by the parties concerned.

Older workers, whether employed or unemployed, often face serious obstacles in gaining access to training programmes that would assist them in maintaining their jobs

or finding new employment. Employers often question their ability to learn new skills, despite ample evidence that these doubts are unfounded. As workers approach retirement age, employers are often reluctant to provide them with training. Lesser access to job-related training undermines their ability to remain employable while work requirements change. For those unemployed older workers who have marketable skills, job-search assistance and counselling programmes have proven invaluable in helping them find a new job.

Japan, Canada, the United Kingdom and the United States are among the relatively few countries that provide public training assistance and/or job-search assistance to older workers. In Japan, several public employment and training programmes help older workers maintain their jobs. Enterprises that have a specified proportion of older workers among their staff are granted subsidies on condition that older workers participate in public training programmes especially designed for them. However, these programmes are small scale and their labour market impact has not been evaluated. The United States and Canada conduct successful job placement activities targeted at older low-income workers, which include training or retraining of some kind. These activities are accompanied by counselling and are conducted mostly by non-profit organizations. Excellent placement rates have been achieved. In Canada, a federal Can$30 million older worker pilot projects initiative develops location-specific solutions to issues of retention and re-employment of older workers. For example, a pilot project in Quebec helps older workers who have worked in the ground-fishing, forestry and paper industries to acquire the necessary skills to work in new occupations in the province. In the United Kingdom, the Government has recently raised the maximum age of access to its Training for Work programme for the long-term unemployed from 59 to 63 years to help older workers maintain contact with the world of work.

Increasingly, many enterprises that have an ageing workforce and face skill shortages and difficulties in recruiting younger workers recognize their older workers as a valuable resource. For example, British Airways recently found that some 50 per cent of staff were within ten years of retirement. The company decided to provide flexible training to specific target groups, with older workers forming a key group. With the help of "learning-to-learn" packages, older workers are given the tools to learn further specialist skills in aircraft engineering. Aerospatiale Matra (France) set up in-house training programmes designed for engineers and project supervisors, making particular efforts to adapt training content and methods to the needs of workers aged over 50. General Electric (United States) trains its 1,100 engineers and technicians, of whom about one-third are aged 50 or older. Although classes are voluntary and in the employee's own time, participation is high because workers realize that updating their skills is essential for continued employment.

People with little education often face barriers when trying to enter a job for the first time, or a new job in the case of seasoned workers who have been laid off. Measures to help them overcome this handicap have been introduced in many countries. In Denmark, for example, as many as 1 million Danish workers were considered to be insufficiently literate for working and living in the knowledge-based economy. In 2000, adult basic education was restructured to become a transparent, credit-based and competence-driven system. Low-skilled workers can now gain recognition for learning, training and competence at work. An example of a basic remedial education programme for adults is the adult literacy training programme organized by Frontier College in Canada (see box 4.10).

Box 4.10
Adult literacy training in Canada: Frontier College

Frontier College is a nationwide organization providing literacy education across Canada. Volunteer tutors teach reading and writing skills to learners in prisons, youth and people with special needs. The College addresses urban literacy deficiency, mostly among immigrant communities. Its programmes include "labourer-teachers" who work with the people to whom they teach English as a second language, working with children, teenagers, street youth, prison inmates, and "clear language" services and literacy in the workplace. Frontier College operates small learner-centred programmes, with two underpinning principles: (i) teaching takes place where the learners are, instead of the other way round; and (ii) learning is based on the students' strengths, recognizing the life experience they bring to a learning situation, rather than focusing on their deficits. Since 1922 it has had degree-granting status. It has won the UNESCO award for literacy education. Over 40 corporate bodies and government agencies, such as the National Literacy Secretariat and Human Resources Development Canada, provide funding and donations.

Source: www.frontiercollege.ca

People with disabilities: Disadvantaged groups are often blocked from entering employment by a range of interconnected obstacles. Targeted, integrated packages of measures to promote labour market inclusion are more effective in tackling these obstacles than stand-alone training programmes focusing on specific skills. Box 4.11 gives an example of a package of measures which aims to promote employment opportunities for people with disabilities.

Box 4.11
Remploy: Supported employment for people with disabilities in the United Kingdom

Remploy is the United Kingdom's major provider of supported employment, offering a range of services to jobseekers with disabilities, ranging from work preparation and employment assessment, to a job introduction scheme and supported employment services, including job-coaching. Remploy offers opportunities to disabled people within its national manufacturing network of over 80 factories throughout the country and through its Interwork scheme, which arranges supported jobs within mainstream employment. A total of 4,000 Interwork employees work in a wide range of jobs throughout the public and private sectors, receiving personalized training and the opportunity to gain new skills by working towards National Vocational Qualifications (NVQs).

Source: www.remploy.co.uk

Youth unemployment is a complex issue in many countries, both developed and developing. It is the result of insufficient demand for labour in general, but it is also due to a mismatch between young people's skills and the skills that employers demand. Therefore, supported by efforts to boost aggregate labour demand, education and training institutions and specific youth programmes must convince managers of the employability of young people and also provide young people with appropriate skills and experience. In the context of stagnating formal employment in many developing countries, training must provide skills that enable young people to become self-employed. These are formidable tasks in all countries, but there are some success stories.

A handful of countries, such as Denmark, Germany and Switzerland, have, as an integral feature of their training systems, formally linked education and initial training with employment, based on the needs of the labour market. The result has been to keep youth unemployment rates low and ensure a relatively smooth transition of young people from school to work. Japan, too, has been successful in maintaining unemployment among young people at low levels. The system has maintained high levels of educational attainment generally and has managed to raise the scholastic achievement of low achievers. There are direct recruitment linkages between schools and employers, and employers provide training to young employees as part of their lifetime career development. Despite signs of erosion of the lifelong employment system in Japan, these institutions have so far managed extraordinarily well to keep youth unemployment very low.

In contrast, developing countries often lack the formal institutions that would provide young people with the quality education and training needed for successful transition to the labour market. In these countries, stagnating formal sector employment has further exacerbated the youth unemployment problem. Both governments and NGOs have therefore supported programmes that promote self-employment, and employment in the informal economy, through both formal and non-formal education and labour market training. Among this vast array of programmes, the *Chile Joven* programme (1991-99) has been particularly successful. It was designed to facilitate the labour market entry of young people at a time when many of their traditional employment opportunities were diminishing. Administered by the National Training and Employment Service (SENCE) and the Solidarity and Social Investment Fund (FOSIS), the programme provided employer-based, short-duration basic skills training for disadvantaged and unemployed youth. The training was tailored to meet local labour market needs. Evaluations of the programme suggest that participants (altogether more than 200,000) had better jobs and higher earnings after training than non-participants.

Training as part of anti-poverty strategies

Women often constitute a large segment of low-income and vulnerable workers in many countries. They are frequently exposed to biased, even discriminatory, practices that tend to perpetuate their economic and social exclusion. The two examples below illustrate the use of both *targeted* and *universal* policies to overcome their social and economic vulnerability. In Chile, the activities of the Programme for Women Heads of Households were targeted at women living in poor socio-economic conditions. In Brazil, promoting training for women was part of a nationwide training initiative, the PLANFOR. The initiative placed equal opportunities on the agenda of public training

policies by incorporating excluded and vulnerable segments of the working population, not only as targets for policy, but as actors in defining and executing these policies.

In Chile, five parallel, yet complementary, lines of action were pursued: training, childcare, housing, health and legal assistance. These activities were concentrated among the most vulnerable groups of women and in areas where poverty was most widespread. The women were encouraged to participate in designing and executing these policies and programmes that mobilized both public and private resources at local, regional and national levels. The programme was particularly successful in advancing the process of decentralization, in reducing labour market segmentation, and in developing training materials that incorporate a gender perspective. The programme also successfully promoted women's personal development and life skills, including improvement of their self-esteem and ability to plan for life. However, technical training was found to have less of an impact on improving women's labour market integration. The result is not surprising, given these women's highly disadvantaged socio-economic status in Chilean society (Márquez, forthcoming).

In Brazil, PLANFOR pursued three primary sets of activities: coordinated action with various social, economic and political actors in vocational education and training; conceptual advances in training design and delivery; and support to civil society through these innovative experiences. PLANFOR achieved considerable success. In 1995-99 it reportedly trained 8.3 million participants, at a cost of some US$700 million, covering some 70 per cent of the 5,500 municipalities in the country and 75 per cent of those that have heavy concentrations of poverty. Some 1,500 providers participated in the programme, including universities, trade unions, vocational education and training institutions and providers, enterprises and NGOs. Women were the largest group of beneficiaries, increasing from 41 per cent in 1996 to 49 per cent in 1999, totalling nearly 4 million women (Leite, forthcoming). As in Chile, evaluations were not able to assess the true impact on women's labour market integration, but identified a significant rise in their personal skills, self-esteem, integration into new networks of support, and perceptions of improved opportunities for self-employment.

Community-based training (CBT) and community-based rehabilitation (CBR), developed by the ILO, have been introduced in many developing and transition countries specifically to meet the training and skill development needs of poor people in rural areas, including those with disabilities. CBT programmes provide training linked to specific, pre-identified income-generating activities and a systematic community-based approach to training delivery. CBT also facilitates the necessary post-training support services, including credit, to ensure that individuals or groups can initiate and sustain the income-generating activity for which training was provided. Training is dispensed for people with disabilities using a similar approach to CBT. In addition to skills training and training in business development, community-based rehabilitation includes provision for health, education and income-generation support services. Box 4.12 illustrates the approach taken in Belarus.

In Ireland, the National Anti-Poverty Strategy (NAPS) was introduced in 1997 to put the fight against poverty and social exclusion at the top of the national agenda. The NAPS strategic aim is to tackle issues of educational disadvantage, income insufficiency, the disadvantaged in urban areas and rural poverty. In order to achieve those aims, the NAPS has to ensure access and participation for all, develop a partnership approach among national and local stakeholders, encourage self-reliance and

Box 4.12
CBT: Poverty prevention in Belarus

A programme in Belarus, entitled Poverty Prevention through Training and Self-Employment Promotion in Depressed Regions, demonstrates how self-employment promotion and income-generating activities can reduce poverty. The approach has been to strengthen the capacity of the districts' employment and training services in designing, planning and coordinating integrated training and employment schemes, and coordinating these activities with those of other support agencies at the local level. At the policy level, the success of the programme has led the Government to accept the CBT approach as part of its active labour market and anti-poverty programmes, incorporated for the first time in the State Employment Support Programme and Budget for 2000-01.

Source: ILO.

empowerment and develop appropriate consultative processes with users of services. At the coordinating and monitoring level, the Combat Poverty Agency (CPA) evaluates, supports and advises individual government departments and regional structures on the development of anti-poverty strategies. It also engages in research, raises public awareness about poverty and supports innovative community development and anti-poverty projects. One of the successes of the NAPS and CPA is the Demonstration Programme on Educational Disadvantage. It aims to reduce the number of early drop-outs from the formal education system among young persons. An initiative in Dundalk found that the district-based consortium approach to tackling educational disadvantage was crucial in reducing early school leaving, changing attitudes and creating a broader understanding and perspectives among all participants. Another positive experience was the integration of formal and non-formal approaches to education.[1]

5. Qualifications frameworks for learning and training for work

Countries, enterprises and individuals need new systems, or frameworks, for assessing, recognizing and certifying competencies and skills. Several concurrent developments have generated an intense debate about qualifications frameworks. These developments include education and training system reforms for lifelong learning; the growth of enterprise/institution partnerships in training, the proliferation of training providers; the spread of workplace learning; active labour market policies that emphasize training and guidance; growing mobility in the labour market; and enterprises' efforts to improve productivity and competitiveness through better human resource and competency management.

"The development of a national qualifications framework is in the interest of enterprises and workers as it facilitates lifelong learning, helps enterprises and employment

[1] Combat Poverty Agency, www.cpa.ie, 25 Oct. 2001.

agencies match skill demand with supply, and guides individuals in their choice of training and career" (*Conclusions concerning human resources ...*, paragraph 17). It also contributes to the accumulation of human capital and an economy's competitiveness.

Competency standards and skills assessment, recognition and certification

Qualifications frameworks generally consist of three major elements. Firstly, they are based on "appropriate, transferable, broad and industry-based and professional competency standards, established by the social partners, that reflect the skills required in the economy and public institutions, and vocational and academic qualifications". Secondly, they incorporate "a credible, fair and transparent system of assessment of skills learned and competencies gained, irrespective of how and where they have been learned, e.g. through formal and non-formal education and training, work experience and on-the-job learning". Thirdly, they "include a credible system of certification of skills that are portable and recognized across enterprises, sectors, industries and educational institutions, whether public or private" (*Conclusions concerning human resources ...*, paragraph 17).

Competency standards – based on sound labour and work analysis, and involving the social partners – are an essential link between workplace employment requirements and systems and programmes of learning, education and training. They can guide continuous training programme development and adaptation. They help individuals develop and maintain their employability over their lifespan. They also provide a basis for making rational collective and individual investment decisions regarding learning and training. Standard setting is work in progress, demanding continuous analysis and adaptation. While it generally takes place at national or regional level, standard setting cannot be carried out in isolation from international workplace and technological developments. Competency standards must be internationally consistent as labour quality and qualifications increasingly determine product and service quality.

Assessment, recognition and certification of skills: Skills assessment enables individuals to have their skills tested, assists their job entry and facilitates upward and horizontal career mobility. Employers can use assessment when they hire and promote employees and plan their internal training. Training institutions and providers can use assessment for benchmarking the quality of skills and knowledge they provide against the competency standards actually required. The profusion of lifelong learning opportunities, in particular informal and workplace learning, is boosting demand for assessment services. "Assessment should identify skill gaps, be transparent, and provide a guide to the learner and training provider. ... The assessment methodology should be fair, linked to standards, and be non-discriminatory. Potential hidden discrimination should be actively guarded against" (*Conclusions concerning human resources ...*, paragraph 17).

Recognition and certification of skills are closely linked to the assessment process and methodology. Credible recognition and certification depend on the latter being transparent, legitimate and accepted socially. Well-established assessment procedures have generally supported formal learning and training and are being adapted to new standards. As informal and workplace learning is expanding exponentially, recognizing and certifying it has become a major challenge. "Every person should have the

opportunity to have his or her experiences and skills gained through work, through society or through formal and non-formal training assessed, recognized and certified". Such recognition and certification of competencies, wherever they have been gained, help individuals maintain their ability to compete in the labour market and be fairly rewarded. In most countries, giving informal learning greater visibility has proven to be difficult for various reasons. In some countries the concept has not been widely recognized, while in others practical implementation has been slow.

Institutional frameworks

Countries and industries need an institutional framework in order to develop coherent competency standards and systems of assessment, recognition and certification. New qualifications frameworks are being designed in many countries. Different countries have pursued different models for competency assessment and recognition. Some frameworks have been developed through government initiative, with the participation of the social partners, others by the private sector and enterprises. There are also qualifications frameworks that are managed jointly by employers' and workers' organizations. Regional frameworks to improve training outcomes and workers' mobility are under discussion in many economic areas, for example the EU, the Southern Common Market (Mercosur), the North American Free Trade Agreement (NAFTA) and the Association of South-East Asian Nations (ASEAN).

Examples of well-known frameworks are the United Kingdom's National Vocational Qualifications (NVQs), the Scottish Vocational Qualifications (SVQs), Australia's National Training Framework (NTF), the New Zealand Qualifications Framework (NQF) and South Africa's National Qualifications Framework (NQF). Many European countries other than the United Kingdom, including Ireland, the Netherlands and the Nordic countries, as well as countries in Latin America, are introducing their own models or elements of models for competency standards and mechanisms for recognizing and certifying skills. Some of these developments are described briefly below.

The United Kingdom's system of NVQs, introduced in 1989, is an example of a government-driven, competency-based, performance-related and output-oriented system of vocational education and training. In principle it is open to any learning path or form, including experience-based learning at work. It does not matter how and where learning takes place; what matters is *what* is learned. The system relies on assumptions of *legitimacy*, to be assured through the assumed match between the national vocational standards and competencies gained at work, and the involvement of industry in defining and setting standards; *validity*, by linking and locating training and assessment to the workplace; and *reliability*, by ensuring that there are detailed specifications of each module of the training programme. It seems that these assumptions have not always held in practice (Bjørnåvold, 2000, p. 107). Overall, participation of employers and unions in NVQ bodies has not been active and NVQs have been taken up by a minority of employers and individuals. NVQs were implemented in only 26 per cent of large enterprises, 15 per cent of enterprises employing 50-250 employees and only 3 per cent of enterprises employing 11-49 employees (Ashton and Sung, forthcoming). Enterprises' acceptance of standards appears to have been linked to subsidies and incentives for training given to them. Without government support, the take-up rate

would have been even lower. The incorporation in NVQs of new soft skills, such as the ability to work in a team, has also been slow to materialize.

In Australia, the National Training Framework is designed to make training and regulatory arrangements simple and more flexible and allow easier movement and credit transfer between courses, programmes and institutions. It has two main components: the Australian Recognition Framework (ARF) – now the Australian Quality Training Framework (AQTF) – and nationally endorsed Training Packages. The ARF is a set of principles and standards that are implemented through a number of other national VET initiatives. Registered Training Organizations (RTOs) – which can be public, private or enterprise-based – emphasize quality, flexibility and client-focused delivery of training through nationally accepted, industry-endorsed training packages. RTOs assist enterprises in developing in-house training and development plans, assess existing employees against standards, and confer the appropriate awards. Recognition by RTOs ensures the legitimacy of the qualifications awarded. The Training Packages contain documentation describing industry-wide competency standards and performance levels. These standards have been developed by employers. They provide a means to determine whether a worker can perform the task required to a standard that is acceptable to the assessor. RTOs, enterprises and individuals can package together units from a variety of Training Packages leading to a recognized qualification. Training Packages integrate training required in related economic sectors and reduce duplication of training resources. The packages are supported with user's guides and assessment guidelines.

The Australian system has several strengths. Training and qualification outcomes now match competency standards, which have the potential to become the primary yardstick or "currency" for skills recognition. There is also national agreement on the approach taken by high-level representation of employers and workers and relevant government agencies (Lewis, 1997). However, there is still no public funding to help workers gain access to national qualifications through recognition of skills learned and assessed on the job (Roe, 2001). There is also concern with assuring the quality of assessment by RTOs. As the system has become decentralized, the proliferation of private RTOs has created difficulties in ensuring a consistent approach to assessment procedures. ANTA is developing monitoring tools to deal with the issue.

Among European countries, France has, arguably, the most advanced system for identifying, assessing and recognizing skills, an outcome of national legislation, methods of financing lifelong learning and private sector initiatives. Every year some 700 organizations and institutions, accredited as *centres de bilan*, compete with each other over requests for *bilans de compétences* (skill assessments), which number about 125,000 annually. Because of the diversity of these centres, the assessment methodology they follow varies considerably. There is no institutionalized control. The synthesis documents rarely point to occupational prospects and often give only general recommendations for further learning and training. Moreover, documents are limited to formal elements of skills, i.e. those that can be documented through certificates and diplomas (Bjørnåvold, 2000).

In Mexico, the national tripartite Council on Standardization and Certification of Labour Competency (CONOCER) encourages bipartite standardization committees to develop competency standards recognized by the Ministries of Education and Labour. CONOCER also supports the creation of assessment centres and awarding bodies. The standards cover, potentially, a significant segment of the Mexican workforce. They

provide a common language between education and training providers, enterprises and workers. They encourage portability of competencies in and between enterprises, industries and regions and expand opportunities for employment.

A model of skill certification that is typical of the United States is the self-regulated, market-based competence system. The rationale for this approach is that self-managed initiatives allow greater private control, are low-cost and avoid overbearing government regulations. Workers are encouraged to have their skills certified and managers to use certification when hiring and promoting workers. Unions tend to participate actively when industries are unionized and collective agreements include training clauses (Mertens, 1999, p. 103).

The United States National Skill Standards Board (NSSB) has made attempts to develop a *national* system by working through a network of "voluntary partnerships" – coalitions of business, unions, employees, education, and community and civil rights organizations. These partnerships – the Manufacturing Skill Standards Council, the Sales and Service Voluntary Partnership and the Education and Training Voluntary Partnership – compile skills standards and methodologies for assessment and certification in their respective industries. However, as these are voluntary initiatives, progress and uptake have been slow (Ashton and Sung, forthcoming).

6. Labour market information, guidance and counselling

Labour market information

Many countries focus increased attention on providing relevant, up-to-date and reliable information and analytical outputs on a wide range of employment, training and other labour market phenomena which can guide decision-making by governments and social partners. When available, relevant and reliable labour market and training information (LMTI) can guide collective and individual investment in building up individuals' employability and a competitive, flexible workforce by means of training and retraining. Quality, timeliness and careful targeting on client groups are hallmarks of effective LMTI systems. An effective labour market information system is an asset for economic development, in particular for industrial sector reconstruction (Lécuyer, 2000).

The institutional framework for collecting, analysing and disseminating LMTI needs to incorporate, on a regular basis, results of population censuses and targeted surveys. It needs to establish databases and develop indicators that provide information on educational levels, formal and informal qualifications and training, employment and incomes. Countries must also possess the analytical and research capacity needed to process this information and deliver user-friendly products. The users include policy-makers (governments, employers and trade unions), individuals, enterprises and training providers that use it as a tool to guide their investment decisions. Training providers also use the information for developing programmes and curricula. Labour market information systems (LMIS) have been adapted or completely renewed in many countries to satisfy the pressing need for such information.

Thus, institutions linked to the OECD and the EU, notably the Statistical Office of the European Communities (EUROSTAT), are in the process of developing improved statistics on training and lifelong learning, as well as better instruments for such statistics. Inevitably, the results of this work will be designed to fit the needs, resources and

institutional circumstances of the member countries of these organizations. The results may not be easily transferable to developing countries which have less well-developed institutional structures for organizing and monitoring training and weaker statistical capacities. The ILO will therefore build on the work undertaken by the OECD and EUROSTAT in this area, to ensure that it will be possible to develop relevant statistics and other forms of information in developing countries as well.

In the context of education and training reforms, many countries are building capacity to analyse labour markets, study changes at work and assess skills demand and supply. Some countries of the EU (at both national and local levels), Central and Eastern Europe, through the programme of community aid to central and east European countries (Phare Programme) and technical assistance to the Commonwealth of Independent States (Tacis programme) and French-speaking Africa have established labour market and training "*observatories*" that generate information for improving the response of VET systems, guiding and promoting investments in training and learning, and evaluating and monitoring reforms. The Observatory in Mali (box 4.13) is a typical example.

Employment and training observatories have a mixed record. In some countries, particularly in the EU, they have been relatively successful. In Latin America (Brazil, Uruguay) observatories focus on labour market analysis. In most sub-Saharan African countries, however, staff turnover, economic and political instability and frequent administrative restructuring tend to hamper capacity building and impact, and limited use is made of available information. The observatories there still need continuing support in carrying out their functions.

The need for new information systems arises from entirely new patterns of employment. Surveys on the structure of the labour force in different areas have been

Box 4.13
The Employment and Training Observatory in Mali

The Observatory is an autonomous tripartite institution that networks with both public and private partners in improving existing surveys and data; launching specific surveys; organizing research and evaluation studies; and producing and disseminating analytical reports, sector studies and a range of other information (e.g. on training needs and employment impact of investments). These products are intended for training policy-makers and providers, guidance services, and various target groups such as youth, women, informal sector workers and entrepreneurs. Having only seven specialists, the Observatory draws its potential from networking and subcontracting with other specialized research institutions – such as the University – and from cooperation with bilateral and international donors. The Observatory has produced some quality products that have led to increased and better targeted training investments. Other African countries (Benin, Côte d'Ivoire, Madagascar, Morocco and Tunisia) have also established observatories.

Source: ILO.

carried out satisfactorily in many developed countries, but to date only partial and ad hoc surveys of enterprises' skills demand, particularly demand for new skills, have been carried out. Such surveys are essential for guiding labour policies, providing correct information on skills sought by employers, and planning training. An example of a successful LMTI system is the Excelsior project set up in Italy by the Italian Union of Chambers of Commerce, Industry, Crafts and Agriculture (Unioncamere), in conjunction with the Ministry of Labour and the EU.

Employment services: As the role of public administration changes, public employment services (PES) have assumed new functions, including job brokering, job-search assistance, career services, and guidance and counselling. Increasingly, new technologies are being harnessed to facilitate the delivery of these services. The National Employment Service Information System (SISNE) of Mexico provides LMTI to decision-makers, enterprises and workers at national, state and local levels and brings jobseekers into contact with employers.

Guidance and counselling

Career development services are provided by *career education* in the core curriculum of initial and post-secondary education, *career counselling* by community agencies and private practitioners, and *employment counselling* by PES, local and private employment agencies and outplacement organizations. The traditional system of professional counsellors and career teachers providing one-off services to young people early in their career is expensive and does not meet the growing and continuous information needs of both youth and adults. Providing affordable and quality guidance and information for individuals, so that they can "navigate" the maze of lifelong learning opportunities, is a major challenge facing all countries. Public and private employment services play a potentially important role as the gateway to lifelong learning, assisting people in reviewing their careers and guiding them in selecting the right learning institutions and learning packages. There is much scope for the development of computerized and Internet-based systems, combined with professional counselling. The province of Alberta (Canada) maintains the Alberta Learning Information Service (ALIS) web site (www.alis.gov.ab.ca), which provides individuals with access to an online network of current career, learning and employment information and service links. Box 4.14 gives another example of the innovative use of the Internet for guidance and counselling.

Box 4.14
Labour market information and career guidance: America's Career Kit

In the United States, the Department of Labor has developed America's Career Kit, comprising four web-based tools – America's Job Bank (AJB), America's Career InfoNet (ACINet), America's Learning eXchange (ALX) and America's Service Locator – to meet the needs of jobseekers, employers, and human resource development training and education. ACINet helps users make informed career decisions, providing information on wages and employment across occupations and industries nationwide. They can locate an occupation of interest, and check the education, knowledge and skills requirements of that occupation. Underqualified jobseekers can find the learning courses – classroom, computer, distance learning, self study or web-based – that will help them upgrade their skills. In addition to its own data, ACINet also has more than 4,000 external links to career resources available on the Internet. Its Career Tools resource helps the user check his or her employability or occupational vulnerability given the user's own background, the state of the industry, and the demand for and supply of particular skills. Other resources include career assessment (which provides online testing for self-profiling, career planning, etc.), counselling, and researching employer, employment law, job and résumé banks and relocation information. To support ACINet, America's Learning eXchange has created an Internet-based database to locate relevant information concerning loans and grants for learning, education and training from over 4,400 sources: federal and state agencies, private companies, foundations, schools and colleges, banks and lending institutions.

Source: America's Career InfoNet, www.acinet.org, 25 Oct. 2001.

CHAPTER V

INTERNATIONAL COOPERATION IN HUMAN RESOURCES DEVELOPMENT: CURRENT AND EMERGING TRENDS

Rather than giving a detailed analysis, this chapter provides some examples of current and emerging priorities and practices in international cooperation in the area of human resources development and training. These should be seen in the light of major shifts in policy thinking. They include, for example, the World Bank's policy review of the early 1990s (and the ongoing review work in the African region); the forthcoming new sector policy of the Danish International Development Agency (DANIDA), due in August 2001; the strong anti-poverty and gender focus of recent international development debate; the emerging regional dimension of cooperation (for example, the EU's collaboration with entire regions in the developing world, such as the group of candidates for accession to the EU and Mercosur; and the ILO's present work in developing a new policy framework – a new Recommendation – for human resources development and training. Finally, new lending policies, for example those targeting the development of recipient countries' ICT infrastructure, also provide a new focus for technical cooperation in the area of education and training.

A. International cooperation in education and human resources development and training: Towards integration

Many agencies and recipient countries increasingly see education and training policy in an integrated manner, based on an understanding that meaningful skills development and training in the developing world must be grounded in high-quality and widely accessible basic education. Since many skills development programmes are budgeted within the wider education sector, the Education for All (EFA) initiative, begun in 1990, has had a major impact on skills development in the last decade.

However, while some agencies have maintained a major interest in skills development work throughout this period, others reduced their employment-oriented skills development and training programmes in the 1990s. The World Bank's powerful critique of public sector provision may also have contributed to agencies' lesser emphasis on vocational training, particularly of the publicly provided variety. Many were influenced by the World Bank's emphasis on basic education and acquisition of foundation skills as a basis for learning advanced skills throughout life, considering that the latter should best be left to the market.

Recently, however, several development agencies (e.g. DANIDA, the Swedish International Development Authority (SIDA), the Swiss Agency for Development and Cooperation (SDC) and the United Kingdom's Department for International Development (DFID)) have adopted sector-wide approaches, with a greater emphasis on coherent planning across education and training. The emergence of concerns related to the knowledge economy, globalization and ICT has also prompted a rethinking of the

previous focus on basic education. Thus, after a decline in World Bank lending for vocational training owing to the new emphasis on primary and lower secondary education – and the questioning of traditional training approaches – annual lending increased to just under US$400 million in 1995-98. The World Bank has given many countries support in the form of "labour force training" to upgrade workers' skills, retrain laid-off workers and improve competitiveness. Bank-supported training programmes, for example in Côte d'Ivoire and East Asian countries, are integral elements of efforts to restructure entire industrial sectors. Nevertheless, the Bank's total educational lending goes to primary education (more than 30 per cent) and to secondary education (some 20 per cent). The need to develop new combinations of education and training, and of theoretical knowledge and practical skills, has been recognized in the approaches of agencies such as the Australian Agency for International Development (AusAID) and the Inter-American Development Bank (IDB).

B. Integrating education and training with other economic and social policies and programmes: Focus on sectors and groups with special needs

In order to have optimum impact, education and training must be an integrated part of a comprehensive set of policies and programmes for economic and social development. This important principle – strongly endorsed by the ILO's *Conclusions concerning human resources training and development* – is recognized in international cooperation. Since the 1990s, the international development agenda has had a strong equity focus, endeavouring to integrate education and training into other economic and social programmes that combat poverty and social exclusion. For example, DANIDA, the ILO, the SDC and the German agency for technical cooperation (GTZ) have formulated strong policy statements that call for overcoming traditional biases in human resources development, particularly in relation to women.

One practical example of poverty focus is the ILO's community-based training for self-employment and income generation. The programme has assisted employment and training organizations in countries such as Cambodia, Kenya and Pakistan in developing community-based and -owned, demand-driven initiatives to meet the training needs of poor communities. Box 5.1 describes the example of Cambodia.

On a broader scale, the International Development Targets (IDTs) and the new Poverty Reduction Strategy Papers (PRSPs) have major implications for agency and national education and training programme priorities. The PRSPs are the key policy instrument for country agreements with the International Monetary Fund (IMF) and the World Bank. Five agreements were concluded in the first half of 2001 and another 40 are at an interim stage. These will locate education and training within a broad anti-poverty focus and are likely to have an important influence on the work of other agencies.

A *gender focus* is central to many agencies' anti-poverty policies and programmes. For example, the ILO has developed a capacity-building programme that addresses critical issues identified in the Beijing Platform for Action, in particular the feminization of poverty. The main prongs of the programme are: taking a gender perspective in macroeconomic reforms and structural adjustment programmes; institutionalizing social dialogue on the issue; and adopting, and also implementing with ILO assistance, priority plans of action. For example, in collaboration with national and state authori-

Box 5.1
Cambodia: Vocational training to alleviate poverty

The ILO's Vocational Training for the Alleviation of Poverty (VTAP) project has built up the capacity of Cambodia's Ministry of Education, Youth and Sports to implement flexible, demand-driven training programmes linked to identified income-generating activities. It succeeds the Vocational Training for Employment Generation project that trained over 5,000 people who were returning from Thai border camps or were internally displaced. The VTAP project has achieved considerable success in alleviating poverty. In 1996-98, the project provided 75 counterpart staff with management and training skills, and trained 3,302 persons belonging to vulnerable groups, 51 per cent of whom were women. Operating in seven provinces, the project set up a network of training centres and mobile training programmes. The project's success can be attributed to its flexibility and systematic approach to identifying employment and self-employment opportunities for vulnerable groups, particularly women, people with disabilities, unemployed youth and demobilized soldiers. It trained teams that identified individuals' training needs, promoted gender and equal opportunities, developed curricula and trained instructors. In 1998, the Department of Technical and Vocational Education and Training took over the project's activities. Under an Asian Development Bank (ADB) loan project, the system has been expanded and integrated into Cambodia's new training system covering 14 provinces.

Source: ILO.

ties and employers' and workers' organizations in Mexico, a National Plan of Action for More and Better Jobs for Women has been formulated. It targets some 4,000 women employed in the *maquila* industry in Coahuila State. Women workers are helped to organize themselves, represent and defend their interests, and to improve their working conditions. In Guerrero State, women are given entrepreneurship training and technical and financial assistance in order to enhance the profitability and viability of their micro-enterprises. The Government's aim is to extend these "model schemes" to other states and groups of beneficiaries.

International cooperation also traditionally targets *youth* as a core constituency for skills development and training. With endemic unemployment among youth, there has recently been a renewed commitment to provide them with skills and entrepreneurship training. In Latin America, in particular, the IDB finances major programmes that target youth, as well as other vulnerable groups. The programmes provide training and services for recognition and certification of competencies attained. The ILO's Inter-American Research and Documentation Centre on Vocational Training (CINTERFOR) supports these programmes.

HIV/AIDS and its skill, education and training implications loom as an important area of international cooperation. High levels of infection among staff and trainees result in increased inefficiencies of training provision, just at a time when a massive expansion of skills development activities is needed to replace formerly productive

workers. DANIDA's imminent sectoral policy may well be the first formal statement that addresses the education and training needs arising from the pandemic.

Sector programmes supported by donor agencies, such as those for the health and agriculture sectors, have strong education and training components. Human resources development and training are also increasingly an integral element of industrial and technology transfer policies and programmes. Many agencies, for example the IDB, DANIDA, the Japan International Cooperation Agency (JICA) and the Finnish Ministry for Foreign Affairs, have made explicit the linkages between skills development and environmental protection.

Since the 1990s, agencies' enterprise development programmes have been receiving increasing support. One prominent example is the ILO's work under the Start and Improve Your Business (SIYB) programme. It consists of a range of training packages and materials – which provide small-scale entrepreneurs and managers in developing countries with practical skills for starting, consolidating and expanding their businesses. Manuals available in 35 languages have been used in some 70 countries worldwide, and more than 100,000 entrepreneurs have benefited from the programme. Evaluations suggest that SIYB-trained entrepreneurs have significantly improved the performance, profits and job creation potential of their businesses.

Many agencies are bringing together their skills and entrepreneurship development activities. There has been some success with programmes that strengthen business development services (such as business advice, training, credit and extension) for existing artisans, for example by DANIDA, the ILO and the World Bank. However, attempts to develop entrepreneurial attitudes and skills among students in formal training institutions have been less successful. Another area emphasized by donors has been support to the reconstruction of countries affected by conflict. An example of collaboration in this area between the ILO and the United Nations Development Programme (UNDP) is described below in box 5.2.

Box 5.2

Bosnia and Herzegovina: Employment and training for vulnerable groups

An ILO/United Nations Development Programme (UNDP) project is contributing to the peaceful recovery of Bosnia and Herzegovina through employment-generation measures and training for vulnerable groups. The project is developing the training capacity of the Bihac Construction Training Centre to better serve the territory of the canton, which was severely damaged during the recent internal conflict. The Centre has been rebuilt with assistance from Switzerland, and its development is funded by UNDP and the Government of Luxembourg. Technical expertise is provided by the ILO. It offers training for unemployed youth and returning refugees to enhance their skills in occupations for rehabilitation, construction and maintenance of buildings. The training programmes are flexible, modular and employment oriented, and with a focus on jobs for women.

Source: ILO.

The informal economy, pioneered by the ILO as a concept, has become a major recipient of policy and practical development support by the donor community. This is particularly true in Africa, where economic crisis and structural adjustment have forced the bulk of the labour force to eke out a living in informal work. In cooperation with DANIDA, Zambia is upgrading training for the informal economy and integrating it into the overall national training policy framework. In addition to the ILO, France, the SDC and the World Bank have been working with informal economy associations, upgrading their training activities, and involving them in curriculum development, business management and certification with formal providers. The focus of these agencies, and also of the Canadian International Development Agency (CIDA) and Austria, is on upgrading the skills of existing artisans. Voucher schemes have also been developed, notably in World Bank-sponsored programmes, in order to stimulate a market for skills upgrading of apprentices and artisans in the informal economy.

Active labour market programmes: Education and training have also been part of active labour market responses in developing countries in times of rising structural unemployment. The ILO and the World Bank in particular have provided support in this area. Large numbers of workers lost their jobs during the industrial restructuring process that is still continuing in Central and Eastern Europe. The ILO has successfully introduced modular training methods and programmes in these countries that target unemployed workers. It also provides skill-upgrading programmes for employed workers and general employability training that meets labour market requirements. In the Russian Federation, for example, a national network of some 150 institutions has been set up and offers modular training for more than 100 types of jobs in industry and services.

C. From operational programmes to policy development

International cooperation in human resources development increasingly focuses on support for policy development, and institution and capacity building, rather than actual provision of training and skills development programmes. The latter are increasingly implemented in the context of partnerships between the social partners, public institutions and the private sectors in both donor and recipient countries. Cooperation on policy development has covered such areas as overall national training policies; the development of institutional and governance frameworks, including the establishment of a national training authority; the shift towards in-service training, reskilling and lifelong learning, as opposed to initial training; and also emerging specific areas, such as the design of national qualifications frameworks (NQFs) and competency-based training systems. While some agencies have moved away from supporting public sector training, others, like SIDA and GTZ, have sought to support institutional reforms in the sector. Improving demand responsiveness, and a focus on outcomes, cost recovery and links with industry are some elements of the policy prescriptions for the public training system.

The ILO has played a lead role in advocating human resources development and training policies for employment, and in assisting a large number of developing countries in designing them. This cooperation has focused particularly on the equity and continuous training dimensions of policy and system reforms. Capitalizing on its tripartite structure, the ILO has been a catalyst for strengthened dialogue on new training

policies and frameworks. At the World Summit for Social Development in Copenhagen (1995), the ILO was given a mandate to assume leadership in promoting employment-based economic and social policies and programmes, including human resources development and training. Recently, it was entrusted with designing a national training framework ("An integrated training strategy for the new millennium") in Mauritius. The framework was subsequently endorsed by the social partners and approved by the Council of Ministers in January 2001.

DANIDA has been another pioneer in policy development, for example in the United Republic of Tanzania, Zambia and, more recently, Malawi, where it has supported reforms of policy, governance frameworks and training delivery systems. In Zambia, an especially assigned task force comprising major stakeholders, including the Government, employers, trade unions, training institutions and entrepreneurship institutions, has been the catalyst and the manager of the review and policy formulation process.

National training authorities: Until recently, ultimate authority over national training and education systems tended to lie with ministries of labour or education, which was not conducive to coordination between donor initiatives, other public provision and private providers. In the 1990s, in the context of policy review and reforms, many development agencies (for example, DANIDA, SIDA and the GTZ) advocated the Latin American-inspired national training authority model for African countries. The model was based on large-scale employer involvement and had secure levy-based funding. Having a small formal sector, African agencies have struggled to replicate the Latin American model. Financial sustainability, widespread stakeholder involvement and quality training provision are still major challenges for many authorities and for the donors active in this area.

In-service training and lifelong learning are other recent policy developments in international cooperation, reflecting concerns about skills obsolescence and need for reskilling in times of rapid technological and workplace change. In particular, the World Bank and the European Commission have shifted the emphasis to training those already working, whether in the formal or informal economy. The ILO has stressed the importance of reskilling and learning over a worker's lifetime (ILO, 1998a and 2001). The ILO's *Conclusions concerning human resources training and development* emphasize the role of initial training in building the foundation for an individual's future employability and ability to learn. Some donors (e.g. SIDA) therefore support initial training that builds the foundation for later learning and reskilling in a lifelong learning perspective.

The development of national qualifications frameworks (NQFs) has gained momentum in recent years, particularly in some advanced countries, such as Australia, New Zealand and the United Kingdom (see Chapter IV, section C.5). International cooperation is also taking place in this new area. The GTZ and DANIDA have collaborated in the development of the South African NQF. AusAID has supported similar work in Indonesia. Most recently, Malawi, a least developed country, has started a similar effort with DANIDA support. A more consistent and competency-based set of qualifications, recognition of prior learning and the quality assurance that certification can offer are what make NQFs attractive. However, being highly complex, and difficult and expensive to manage, they remain controversial. In addition, much of the support for NQF approaches in the developing countries has not been through mainstream international technical cooperation, but rather through the marketing work of

parastatal qualifications authorities in countries such as Australia, New Zealand and the United Kingdom (England and Scotland).

Mechanisms for recognizing prior learning, an essential element of functioning national qualifications frameworks, are another emerging area for possible international cooperation. So far, little work has been done apart from some DANIDA support in South Africa.

Competency-based modular training has recently received more international support. Compared with time-based training programmes, competency-based approaches are seen as more efficient, relevant and outcome-focused. They are quite common today in developing countries. As with the closely related development of NQFs, promotion of competency-based approaches to training has often been part of sales efforts of public and private organizations as they seek to expand their markets for training in developing countries.

D. The social partners, private sector partnerships and private training provision

The *Conclusions concerning the role of the ILO in technical cooperation*, adopted at the 87th Session (1999) of the International Labour Conference, call for a more substantive relationship of the ILO with the international development community, including national development cooperation ministries or agencies and international agencies. New relationships should be fostered with the private sector, foundations and other non-traditional partners, within the framework of the Organization's values and principles.

International cooperation, traditionally between government agencies (donor and recipient), increasingly takes place in partnerships between governments, social partners and private and public institutions. Most donors today emphasize the value of partnerships and actively promote national ownership of training policy and system reforms. They therefore enlist, as integral partners in policy review and reform processes, a broad range of national institutions, comprising employers and trade unions, chambers of commerce and industry, public and private training institutions, universities, NGOs, representatives of civil society and others. Such partnerships have been a common feature of policy reforms undertaken or under way in Malawi, South Africa, the United Republic of Tanzania and Zambia.

Encouraging partnerships and private training provision: The social partners and the private sector often implement education and training programmes, but within a policy framework established in bilateral cooperation agreements between governments and donors. Direct partnerships in training provision are becoming common between private sector (donor country) institutions and those in the recipient countries. For example, the United States Agency for International Development (USAID) provides seed money to encourage partnerships between community colleges in the United States and partner institutions in developing countries. Another example is DANIDA's Manufacturing Advisory Centres, which bring together the private sectors in Denmark and partner countries. Such initiatives are intended to encourage a wider range of partnership arrangements with both public and private institutions. Chambers of commerce and industry in France and Canada (Quebec) have established partnerships with equivalent private institutions in many developing countries. These provide

training and extension services to small and medium-sized enterprises and to self-employed artisans. With its well-developed textile industry, the Rhone-Alps region in France has engaged in a regional partnership with the Sfax region in Tunisia in a major training and retraining programme that supports the industry's restructuring. These programmes are financed jointly by France's technical cooperation programme, the EU and the Rhone-Alps region.

Training policy reforms have in some cases encouraged massive expansion of private sector training, spearheaded by the World Bank's sector policy (1991) that advocated pro-market education and training policies. While the Bank argued for the right mix between public and private training, the effect was often to encourage disinvestment in public provision, considered cost-inefficient and often irrelevant to economic and social needs. Believing that private providers, through market discipline and the right public incentives, would avoid these problems, many agencies sought to encourage private provision. In particular, the World Bank and the IDB have stimulated markets for skills development through voucher schemes. Training levies were also used to encourage firms to provide more in-house training, as they could then claim back some or all of their levy contributions.

The ILO has recently embarked on a research and advocacy programme of good enterprise learning and training practices in some African and Asian countries. The objective is to influence public policies to promote such practices; stimulate partnerships between SMEs and with other intermediary institutions (local government, chambers of commerce and industry, training institutions, etc.); and encourage enterprises to invest more of their own resources in learning and training. Based on the experience gained, the programme is expected to expand into technical cooperation activities that will emulate good policies and practices in other countries and enterprises.

The growing focus on private training has also led to new partnerships with NGOs, a type of alliance that has been emphasized by SDC, DANIDA and others. This mirrors a broader trend in development cooperation. NGOs are seen as often being more efficient and closer to local needs than state bureaucracies. However, the increasing emphasis on policies and programmes in preference to projects is beginning to raise new questions about whether small NGO projects can be transformed into more comprehensive assistance programmes.

Private training provision: Ensuring quality: Private training has expanded rapidly in areas where entry has been easy and the necessary capital investments small, often gravitating towards commercial rather than technical areas. The need to ensure that private training providers maintain acceptable programme quality is a common concern. The IDB is accordingly engaged in staff and curriculum development of private training providers in Latin America.

E. Education, training and ICTs

The power of the information revolution lies in its potential for delivering basic services, including education and training, more efficiently and innovatively. In fact, failing to put these technologies to work for the poorest people carries a huge and growing cost. It means missed economic opportunities and increasing inequality within less developed countries themselves, as rural areas become more isolated and

fall further behind. The ILO (*Conclusions concerning human resources ...*; *Conclusions on lifelong learning ...*; ILO, 2001) and the World Bank, among others, have called for intensified efforts by the international community to bridge the digital divide that threatens to grow even wider, both within and between countries. Mobilizing ICT in education and training has the potential to become a major area of international cooperation.

A well-educated workforce is a prerequisite for harnessing the potential of ICTs. The ILO has strongly argued (ILO, 2001) that literacy and education cannot be leapfrogged; in fact, they are the fundamental building blocks on which the use and development of ICT are based. Many international agencies are venturing into technical cooperation programmes that use ICT for delivering education and training. They are also assisting countries with training programmes to build up their pool of ICT-skilled professionals, another prerequisite for using and developing the new technology in the economy. The Distance Education and Learning Technology Applications (DELTA) programme of the International Training Centre of the ILO (Turin Centre) provides technical assistance and teacher courses on the use of distance learning, multimedia and ICT in education and training. In Latin America, the IDB has supported correspondence, television, radio and Internet-based approaches to training delivery. The World Bank is financing the African Virtual University (AVU) (www.avu.org) which delivers science and engineering (non-degree) programmes using television and the Internet in universities and colleges in 15 countries. However, interactivity remains a weakness of AVU, as African users are linked to resources only in the advanced countries, while there are no links between the participating African countries. The Creating Learning Networks for African Teachers initiative, established by the United Nations Educational, Scientific and Cultural Organization (UNESCO), encourages educational institutions to become learning and resource centres for their communities. Current bilateral initiatives to bridge the "digital divide", along the lines of the United Kingdom-funded Imfundo initiative, a public/private partnership seeking to use ICT in teacher training and education more widely in Africa, are likely to proliferate in the future.

The role of the ILO in technical cooperation in the human resources development area is likely to be reinforced by a number of concurrent developments. These include a sharpened focus by the ILO in pursuing its four strategic objectives, in particular the objective of creating greater opportunities for women and men to secure decent employment and income. In pursuing this objective, the ILO promotes investment in knowledge, skills and employability and emphasizes consensus building and dialogue with the social partners, and partnerships with international, regional and national institutions. The ILO also has a strong international mandate to engage in technical cooperation that supports anti-poverty strategies and promotes equity in employment outcomes.

In addition to continuing its work in strengthening policy frameworks and improving the design and delivery of skill development programmes, the ILO will, in a new activity, support constituents in designing policies and programmes that encourage increased investments in training. Other areas of future ILO technical cooperation include helping constituents apply learning and training packages tailored for enterprises, particularly SMEs; supporting countries in developing national qualifications frameworks and systems for recognition of prior learning; designing programmes that use ICT in training and employment services; and applying various information kits,

tools and practical guides to promote the adoption of best practices for employment and training services for groups with special needs. The latter activities will be included in the ILO's inputs into inter-agency strategies for poverty alleviation.

Technical cooperation activities are likely to be sustainable, and have the most impact, if they are designed and implemented in the context of dialogue between the social partners. The ILO has a strong comparative advantage in acting as the catalyst for tripartite policy-making and institution-building. However, meaningful, result-oriented social dialogue inevitably requires that employers' and workers' organizations and other partners have the skills and capacity to understand and analyse alternatives and put forward policy recommendations. The ILO faces a major task in assisting its constituents in developing countries with training and capacity building in this key area of economic and social policy-making.

CONCLUDING REMARKS

This report has illustrated some contemporary trends in human resources development and training. The focus has been on recent developments in legislation and policy developments and the actual practice of delivering learning and training programmes. The report cannot claim to be exhaustive. Instead, it has endeavoured to provide examples of developments from a wide range of countries, as well as groups of countries as regional economic and political integration influences national policy and implementation in the human resources field.

The report has documented the pursuit of the *dual objective* of learning and training. The knowledge and skills endowment of a country's labour force, rather than its physical capital, determines its economic and social progress, and its ability to compete in the world economy. Promoting innovation, productivity and competitiveness of individuals, enterprises and countries is therefore the first pillar that underlies contemporary learning and training policies and provision. Similarly, individuals' possession of knowledge and skills increasingly determines their employment outcomes and lifetime incomes. Ensuring that all people have access to learning and training opportunities during their entire life cycle by means of lifelong learning therefore becomes the second pillar of human resources development and training policies and programmes.

The pursuit of learning and training for work has been shown to be a shared endeavour of many partners and actors. Depending on the objectives of education and training, governments, the social partners and individuals have distinct investment responsibilities. It is through social dialogue that all segments of society, through their representative organizations, can defend their interests, participate in policy-making, and share in investments for learning and training. Lifelong learning has become a key subject of dialogue among the social partners, and between them and governments. Partnerships between government, the social partners, enterprises and a wide range of institutions and representatives of civil society increase the effectiveness and resource base, and improve the equity outcomes, of learning and training programmes.

The report has also highlighted the gradual shift from teacher-centred education and training towards *learning* by the individual. This shift has been accelerated by the rapid proliferation of information available and the individuals' needs to use it selectively for knowledge creation. More and more, individuals use the workplace, ICT and the Internet as sources and media for their learning. Such learning tends to be informal. Therefore, recognition and certification of informally acquired skills and knowledge become central to policies that endeavour to enhance individuals' motivation to learn, improve their access to further learning opportunities, and reward them for qualifications gained.

The report has also dwelt on international cooperation to promote the educational emancipation of less developed countries. The main priority of the international community is to pursue cooperation policies that promote universal access to basic education and skills training, the pillar of sustainable policies for economic and social progress in these countries. Such policies are best carried out in the context of dialogue and consensus building between governments and the social partners.

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QUESTIONNAIRE

In accordance with article 12, paragraph 3, of the ILO Constitution and article 39 of the Standing Orders of the International Labour Conference, Government members are invited to consult the most representative employers' and workers' organizations in finalizing replies to this questionnaire in order that such replies may be received by the International Labour Office no later than 1 June 2002.

I. Form of the international instrument

1. Do you consider that the International Labour Conference should adopt a new international instrument concerning human resources development and training?

2. If so, do you consider that the instrument should take the form of a Recommendation?

II. Preamble

3. Should the instrument include a preamble referring to:

(a) the Human Resources Development Convention, 1975?

(b) the Conclusions concerning human resources training and development, adopted at the 88th Session of the International Labour Conference?[1]

(c) the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy?

(d) the ILO Declaration on Fundamental Principles and Rights at Work?

(e) other instruments? (Please specify.)

III. Objective, scope and definition

4. Should the instrument recommend that governments formulate, apply and monitor national human resources development and training policies, which are coherent with other economic and social policies, based on social dialogue, and reflect the different roles of government and the social partners?

5. Should the instrument encourage governments to identify human resources development and training policies which:

(a) facilitate lifelong learning and employability?

[1] Reproduced as Appendix I to this report.

(b) give equal consideration to economic and social objectives in the context of the global economy, and knowledge- and skills-based society, with emphasis on balanced economic and social development, decent work, social inclusion and poverty reduction?

(c) stress the importance of innovation, competitiveness and growth of the economy, and the employability of workers?

(d) address the challenge of transforming activities in the informal economy into decent work fully integrated into mainstream economic life?

(e) expand public and private investment in the infrastructure needed for the use of information and communication technology (ICT), in education and training hardware and software and in the training of teachers and trainers, making use of local, national and international collaborative networks?

6. Should the instrument encourage governments to:

(a) recognize that education and training are a right for all and, in cooperation with the social partners, ensure universal access?

(b) define a national strategy and establish an institutional framework for the development and implementation of training policies at different levels (national, regional, local, sectoral, enterprise) that involves the social partners, promotes social dialogue and specifies the roles of the various parties?

(c) align human resources and training policies with policies aimed at creating employment opportunities (for example, through regional or industrial development)?

(d) establish a national qualifications framework to facilitate lifelong learning, help enterprises and employment agencies to match skill demand with supply, guide individuals in their choice of training and career and facilitate the recognition of prior learning?

(e) develop a national training delivery system appropriate to national conditions and practices?

(f) assume the primary responsibility for investing in basic education and initial training?

(g) invest in other forms of training?

(h) create a general economic environment and incentives conducive to encouraging individuals and enterprises to invest individually or jointly in education and training?

(i) strengthen social dialogue on training at different levels (national, regional, local, sectoral, enterprise)?

(j) undertake other activities? (Please specify.)

IV. Implementation of training policies

7. Should the instrument encourage the development, organization and maintenance of comprehensive, coordinated and flexible lifelong learning and training systems, taking into account the primary responsibility of government for basic education and training, and the role of the social partners in further training, and including:

compulsory basic education, incorporating basic knowledge, literacy and numeracy skills; pre-employment learning and training; and further education and training?

8. Should the instrument promote social dialogue in training as a basic principle for systems development, programme relevance, quality and cost-effectiveness and the promotion of equality of opportunity?

V. Basic education and pre-employment training

9. Should the instrument encourage governments to:

(a) provide education and pre-employment training for the world of work?

(b) improve access to basic education and pre-employment training, and equality of opportunity, to combat exclusion?

(c) develop approaches to non-formal basic education and pre-employment training?

(d) harness new ICT in learning and training?

(e) ensure provision of vocational and career information and guidance?

VI. Training of employed workers

10. Should the instrument encourage governments to:

(a) promote systematic identification of the skills needed by enterprises, individuals and the economy as a whole?

(b) recognize workplace learning, including formal and informal training, and work experience?

(c) support initiatives by the social partners, and the role of training, in bipartite dialogue and collective agreements?

(d) initiate tripartite agreements on training at various levels of government?

(e) assume primary responsibility for stimulating investment in training?

(f) acknowledge the role of the social partners, enterprises, and the individual worker, in promoting investments in training, in partnership with government?

(g) promote the expansion of workplace-based learning and training, utilizing high-performance work practices and on- and off-the-job training, with public and private providers, and making greater use of ICT?

(h) promote human resources management at enterprise level?

(i) develop equal opportunity strategies, measures and programmes to promote and implement training for workers in small and medium-sized enterprises, the informal economy, the rural sector and self-employment; and, in particular, for women workers?

(j) promote educational and career guidance for employed workers?

(k) carry out other initiatives? (Please specify.)

VII. Framework for recognition and certification of skills

11. Should the instrument encourage governments to consider:

(a) skills recognition and certification, including the principle that an individual's skills be recognized and certified irrespective of where such skills were obtained?

(b) the legal and institutional framework, the role of social partners, sharing of responsibilities and financing of the recognition and certification of skills?

(c) the recognition of prior learning?

(d) other issues? (Please specify.)

VIII. Training for decent work and social inclusion

12. Should the instrument recognize:

(a) the primary role of governments for the training of people with special needs in order to develop and enhance their employability?

(b) the role of the social partners in reintegrating such people in the workforce?

(c) the involvement of the social partners, local authorities, local communities and associations in implementing programmes for such people?

13. Should the instrument promote improved access to lifelong learning and training for all in order to prevent and combat social exclusion and to assist people with special needs in securing decent work?

14. Should the instrument specify groups with special needs, or should this be left to national law and practice?[2]

IX. Training providers

15. Should the instrument encourage governments to promote the diversity of training provision and develop flexible regulatory frameworks appropriate to national conditions, covering formal and informal delivery, workplace learning and training, including apprenticeship, and the expanded use of ICT for learning and training?

16. Should the instrument encourage governments to:

(a) develop a legal framework for the certification of qualifications of training providers?

(b) identify the roles of government and the social partners in promoting the expansion and diversification of training delivery?

(c) establish guidelines to improve quality control and evaluation of the outcomes of training?

X. Human resources development, lifelong learning and training support services

17. Should the instrument provide that governments:

(a) when organizing regular surveys of the population, collect information on educational levels, qualifications, training activities, and employment and incomes?

[2] A number of groups with special needs were listed in para. 6 of the *Conclusions* (see Appendix I to this report).

(b) establish databases and quantitative and qualitative indicators on the national training system, including at the enterprise level?

(c) collect information on skills from a variety of sources, including longitudinal studies, not confined to traditional occupational classifications?

18. Should the instrument encourage governments to promote and facilitate the development of the capacity to analyse trends in labour markets and human resources development and training?

19. Should the instrument encourage governments to:

(a) provide vocational and career information and guidance for: employability development; access to education, training and active labour market programmes; job-search techniques; and access to skills recognition and certification throughout life?

(b) promote the use of ICT in guidance services?

(c) identify the roles and responsibilities of public and private employment services, the social partners and other parties?

XI. Research on human resources development and training issues

20. Should the instrument encourage governments to support and facilitate research on human resources development, learning and training, including:

(a) learning and training methodologies, including the use of ICT in training?

(b) skills recognition and qualifications frameworks?

(c) human resources development and training policies, strategies and frameworks?

(d) investment in training, and the effectiveness and impact of training?

(e) identifying, measuring and forecasting the demand for skills?

(f) other issues? (Please specify.)

XII. Technical cooperation

21. Should the instrument provide guidance on technical cooperation in human resources development and training:

(a) to promote greater opportunities for women and men to obtain decent work?

(b) to promote national capacity building to reform and develop training policies and programmes, including developing the capacity for social dialogue and partnership building in training?

(c) to promote technical cooperation between governments, the social partners, the private sector and international organizations?

(d) in other ways? (Please specify.)

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APPENDIX I

Resolution concerning human resources training and development[1]

The General Conference of the International Labour Organization, meeting in its 88th Session, 2000,

Having undertaken a general discussion on the basis of Report V, *Training for employment: Social inclusion, productivity and youth employment*;

Adopts the following conclusions and invites the Governing Body to request the Director-General to give due consideration to them for the future work of the Office and to take them into account when preparing the programme and budget for the 2002-03 biennium.

Conclusions concerning human resources training and development

1. A critical challenge that faces human society at the start of the twenty-first century is to attain full employment and sustained economic growth in the global economy and social inclusivity. The ILO's framework of decent work addresses both the quality and quantity of employment and provides a basis for new education and training policies and strategies. Human resources development, education and training contribute significantly to promoting the interests of individuals, enterprises, economy and society. By making individuals employable and informed citizens, human resources development and training contribute to economic development and to achieving full employment and promoting social inclusion. They also help individuals to gain access to decent work and good jobs, and escape poverty and marginalization. Education and skills formation could lead to less unemployment and to more equity in employment. The economy and society at large, like individuals and enterprises, benefit from human resources development and training. The economy becomes more productive, innovative and competitive through the existence of more skilled human potential. Human resources development and training also underpin the fundamental values of society – equity, justice, gender equality, non-discrimination, social responsibility and participation.

2. Technological changes, changes in financial markets, the emergence of global markets for products and services, international competition, dramatic increases in foreign direct investment, new business strategies, new management practices, new forms of business organization and of the organization of work are among the more significant developments that are transforming the world of work. Many of these developments are also components of globalization which is the name given to the various processes producing the dramatically increased integration of economic activity in the world today. These developments offer both opportunities and challenges for enterprises, workers and countries. For enterprises increased competition has meant more winners and losers. For countries globalization has increased both national development and disadvantages as globalization has exacerbated differences in the relative advantages of countries. For some workers these developments have resulted in career opportunities or successful self-employment, improved living standards and prosperity but for other workers they have resulted in job insecurity or unemployment, declining living standards and poverty. Many of these developments are dramatically increasing the importance of the application of human knowledge and skills to economic activity. Human resources development, education and training are necessary and essential elements required to take both full

[1] Adopted on 14 June 2000.

advantage of the opportunities and to rise to the challenges of these developments for enterprises, workers and countries. There is a growing recognition that globalization has a social dimension that requires a social response. Education and training are components to both the economic and social response to globalization.

3. Education and training cannot alone address this challenge, but should go hand in hand with economic, employment and other policies to establish, in an equitable manner, the new knowledge- and skills-based society in the global economy. Education and training have distinct but converging outcomes as society is changing. They have both a dual rationale: develop skills and knowledge that will help countries, enterprises and individuals utilize the new opportunities and enhance the employability, productivity and income-earning capacity of many population groups that have been adversely affected by globalization and changes in society at large. Education and training are necessary for economic and employment growth and social development. They also contribute to personal growth and provide the foundation of an informed citizenry. Education and training are a means to empower people, improve the quality and organization of work, enhance citizens' productivity, raise workers' incomes, improve enterprise competitiveness, promote job security, and social equity and inclusion. Education and training are therefore a central pillar of decent work. Education and training help individuals become more employable in rapidly changing internal and external labour markets.

4. Human resources training and development are fundamental, but are by themselves insufficient to ensure sustainable economic and social development, or resolve the aggregate employment challenge. They should be coherent and form an integrated part of comprehensive economic, labour market and social policies and programmes that promote economic and employment growth. Policies that expand aggregate demand in the economy such as macroeconomic and other measures must be combined with supply-side policies, e.g. science and technology, education and training, and industrial and enterprise policies. Appropriate fiscal policies, social security and collective bargaining are among the means to distribute these economic gains on a fair and equitable basis, and constitute basic incentives to invest in training. Pursuing these integrated policies requires consideration of a new financial and social architecture for the global economy, a subject for ILO research.

5. It is the task of basic education to ensure to each individual the full development of the human personality and citizenship; and to lay the foundation for employability. Initial training develops further his or her employability by providing general core work skills, and the underpinning knowledge, and industry-based and professional competencies which are portable and facilitate the transition into the world of work. Lifelong learning ensures that the individual's skills and competencies are maintained and improved as work, technology and skill requirements change; ensures the personal and career development of workers; results in increases in aggregate productivity and income; and improves social equity. Both in developed countries as well as in developing countries there are many workers without the basic skills for literacy and numeracy. National and international strategies have to be developed to eliminate illiteracy, based on concrete targets, benchmarks and quality assessment.

6. Education and training of high quality are major instruments to improve overall socio-economic conditions and to prevent and combat social exclusion and discrimination, particularly in employment. In order to be effective they must cover everyone, including disadvantaged groups. Therefore, they must be carefully targeted at women and persons with special needs, including rural workers; people with disabilities; older workers; the long-term unemployed, including low-skilled workers; young people; migrant workers; and workers laid off as a result of economic reform programmes, or industrial and enterprise restructuring. In addressing the needs of these groups, particularly of young people, access to a combination of formal, off-the-job and workplace learning should be systematically offered and developed as it provides for effective learning outcomes and increases the chance of entering the labour market.

7. Training can be one of the instruments that, together with other measures, address the challenge of the informal sector. The informal sector is not a sector in the traditional sense of

economic classification but a name given to the economic activity of persons in a variety of situations, most of which are survival activities. Informal sector work is unprotected work that is, for the most part, characterized by low earnings and low productivity. The role of training is not to prepare people for the informal sector and keep them in the informal sector; or to expand the informal sector; but rather it should go in conjunction with other instruments, such as fiscal policies, provision of credit, and extension of social protection and labour laws, to improve the performance of enterprises and the employability of workers in order to transform what are often marginal, survival activities into decent work fully integrated into mainstream economic life. Prior learning and skills gained in the sector should be validated, as they will help the said workers gain access to the formal labour market. The social partners should be fully involved in developing these programmes.

8. Education and training are a right for all. Governments, in cooperation with the social partners, should ensure that this right is universally accessible. It is the responsibility of all persons to make use of the opportunities offered. Free universal, quality public primary and secondary education must be made available to all children, and they should not be denied sustained access to education through child labour. Education cannot be separated from training. Basic and secondary education is the foundation on which an effective vocational education and training system should be built. Good-quality basic education and initial training, availability of adult and second-chance education, together with a learning culture, ensure high levels of participation in continuous education and training. Qualified teachers and trainers are the fundamental key to providing quality education for helping children and adults reach high standards in academic and vocational competencies. Their recruitment, remuneration, education, training and retraining, assignment and provision of adequate facilities are critical elements of any successful educational system. In addition to education and training, career guidance and job placement services (career development services) embracing career education, career counselling, employment counselling and educational, vocational and labour market information, all have a crucial role to play in human resources development. The fostering of a career development culture throughout education, training systems as well as employment services is a means to promote continuous learning. The development of this culture among youth and adults will be of particular importance for ensuring their employability and facilitating their transition from education and training to work or further training.

9. Employability is defined broadly. It is a key outcome of education and training of high quality, as well as a range of other policies. It encompasses the skills, knowledge and competencies that enhance a worker's ability to secure and retain a job, progress at work and cope with change, secure another job if she/he so wishes or has been laid off, and enter more easily into the labour market at different periods of the life cycle. Individuals are most employable when they have broad-based education and training, basic and portable high-level skills, including teamwork, problem solving, information and communications technology (ICT) and communication and language skills, learning-to-learn skills, and competencies to protect themselves and their colleagues against occupational hazards and diseases. This combination of skills enables them to adapt to changes in the world of work. Employability also covers multiple skills that are essential to secure and retain decent work. Entrepreneurship can contribute to creating opportunities for employment and hence to employability. Employability is, however, not a function only of training – it requires a range of other instruments which results in the existence of jobs, the enhancement of quality jobs and sustainable employment. Workers' employability can only be sustained in an economic environment that promotes job growth and rewards individual and collective investments in human resources training and development.

10. There is tripartite and international consensus about guaranteeing universal access of all to, and increasing and optimizing overall investment in, basic education, initial training and continuous training. Discrimination which limits access to training should be combated both by anti-discrimination regulations as well as by common action of social partners. These principles have been endorsed already in the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy adopted by the Governing Body, 1977. The Committee endorsed the core commitments made in the Cologne Charter of the Group of Eight leading

industrialized nations (G8) in 1999[2] calling for renewed commitment of all partners to lifelong learning: " ... by governments, investing to enhance education and training at all levels; by the private sector, training existing and future employees; by individuals, developing their own abilities and careers". However, structural adjustment programmes, restrictive fiscal policies, low wages, debt repayment obligations, decline of development assistance flows, competitive price pressures on enterprises and lack of resources of large sections of the population in a number of cases induce governments, enterprises and individuals to under-invest in education and training. Furthermore, market uncertainties, poaching of skills by other enterprises and the growth of insecure forms of work and consequential high turnover of staff may reduce enterprises' incentives to invest in training. This is especially true for the least developed countries, most of which are in Africa, given their dire socio-economic situation. The culture of developing, on a continuous basis, individual and collective skills for enhanced productivity and employability in a rapidly changing environment has to be improved further.

11. The cost of education and training should be seen as an investment. Increasing this investment can be fostered by recognizing that investing in education and training can be a shared responsibility of both the public and private sector. Government must always assume the primary responsibility for investing in basic education and initial training, and it should also invest in other forms of training. Government must also share the greatest responsibility for investments directed at groups where combating social exclusion or discrimination is an important objective. With respect to the responsibility of individuals, the government must also share responsibility in order that access not be denied on financial grounds and to the detriment of the broader interest of society. Government, as an employer, must also assume responsibility to invest in training. With respect to the private sector, the responsibilities of both enterprises and individuals should be recognized and, where appropriate, encouraged. These responsibilities are especially appropriate with respect to investment in workplace-based and continuous education, which can raise workers' employability and the competitiveness of enterprises. The organization and implementation of private sector responsibilities in this area can best be accomplished through partnerships between the government and enterprises, between government and the social partners or between the social partners. Ensuring increased investment for SMEs is especially suitable to a partnership approach.

12. There is no universal model of investing in training. Governments should create a general economic environment and incentives conducive to encourage individuals and enterprises to invest individually or jointly in education and training. This investment and the responsibility for it should generally be determined by the objectives of training, e.g. individual, enterprise or societal objectives. Countries can use different ways and means to foster investment in training and increase resources for training. Enterprises have a critical role to play in investment in training. A number of mechanisms used in combination to further investment in training and to guarantee access are required. These may include levy systems on enterprises accompanied by public grants, establishment of training funds, various incentives for training and learning, e.g. tax rebates, training credits, training awards, individual training accounts, collective and individual training rights, sabbatical leave, collective training agreements and emulation of national and international best practices of investing in training. The chosen mechanisms should take into account the special needs of the SMEs. Where levies are the chosen mechanism for funding training, the governance of funding distribution should be tripartite, or where these are agreed by the social partners, such governance should be bipartite. Decisions regarding government policies on education and training should be based on genuine tripartite dialogue and give the tripartite partners the opportunity to develop the best ways and means to increase investments in training. Measures such as the provision of childcare facilities are needed to facilitate access to training. One means of encouraging countries and companies to increase current efforts to invest in training and to provide a measurable and comparative basis towards which we can all endeavour is to develop benchmarks. The ILO should develop

[2] Reproduced in Appendix II.

a database on current expenditures on vocational and continuing training, and suggest a series of benchmarks on investment in training, possibly differentiated for different regions of the world, size of companies or sector of industry, as a mirror and point of orientation for countries, sectors, and companies.

13. Flatter hierarchical structures, and devolved decision-making, initiative and control, also widen the need for higher-level skills and training, and result in increased responsibility for workers. ICT is accelerating these management trends and changes in the world of work in general. ICT has the potential to improve enormously people's access to quality education and training, including in the workplace. There is, however, a danger that these technologies may create a "digital divide" and worsen existing inequalities in education and training between urban and rural areas, between rich and poor, between those who possess and those who lack literacy and numeracy skills and between developed and developing countries. Countries should expand their investment in the infrastructure needed for use of ICT, in education and training hardware and software, and in the training of teachers and trainers. Such investments should be undertaken by both the public and private sectors, and make use of collaborative local, national and international networks. Governments may also provide incentives for the private sector and individuals to encourage computer literacy and to develop new communication skills. New modes and methods need to be deployed for training and learning when using ICT. Distance-learning methods can be used to make training available at convenient times, at accessible places or at reduced costs. Distance learning should not replace all other learning or teaching methods but can be a valuable part of the total teaching tools available. Distance learning should, as far as possible, be combined with traditional training methods in order to avoid a sense of isolation of the learner. The social framework for training needs to be adapted to these new forms of training.

14. The many driving forces, as mentioned in paragraph 2, have a significant impact on organization and working methods of companies. Also, new sectors are emerging, many of them based on the use of ICT products and services, including the Internet. All this increases demand for new skills and competencies, including personal skills and ICT competencies. Education and training need to respond to these new demands, both those related to ICT and those related to changing work organization.

15. Electronic networking provides opportunities for learners to assist each other more actively, for learners to be more active in the training and education process, and for formal and non-conventional teaching methods to be utilized. In order to apply ICT in training, trainers must master these technologies and be systematically trained. Teaching methods need to be updated to accommodate the teaching of new developments in ICT, new types of organization of schools should be devised to take full advantage of ICT; and the individual needs to learn self-learning methods. New training is needed to provide trainers and individuals with these skills. Enterprises may provide ICT facilities or support schemes for workers for the use of ICT at home or in general, and to schools or other training providers, in order to promote the diffusion of ICT skills and access in society. Appropriate government incentives could facilitate this development.

16. For many developing countries, the challenges are much more basic. Societies with huge and growing levels of adult illiteracy, and massive debt crises, will not be able to design, fund or implement the modern education and training policies which are prerequisites for development and economic growth. In the age of the knowledge society, 884 million adults are illiterate, unable to operate effectively even with the intellectual tools of the "old economy". UNESCO estimates that, in the least developed countries, while 144 million adults were illiterate in 1985, by 2005 this will rise to 188 million – in other words, the number of illiterate adults will grow by 30 per cent in the least developed countries. Additionally, structural adjustment programmes have in specific instances operated to reduce public investment in education, thus further weakening the longer-term capacity for economic growth and development. Much of the developing world lack access to the physical infrastructure through which much of the new knowledge is pulsing. The lack of electricity and telephones, the cost of computers and Internet

access, all contribute to deprive citizens, enterprises and workers in developing countries from benefiting from the ICT revolution, and create the conditions for a "digital divide" to grow between countries. Developing countries should make greater efforts to invest in ICT and to develop ICT-appropriate methods of teaching rather than simply adding computers to existing teaching methods. The international community should, as part of creating the conditions for skills formation in the least developed economies, undertake bold and substantial debt relief, or, where appropriate, debt cancellation; help mobilize resources for programmes to secure basic literacy and numeracy and the development of communication and information infrastructure; and assist with training in the new information and communication technologies. This is a direct challenge to the ILO and international development agencies. Multinational corporations should be encouraged to agree fair technology transfer agreements, to develop local high-level skills in developing countries, and to help create the infrastructure for the new knowledge economy. The contributions to development that multinational companies can make through training as elaborated in the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy should be recalled. These measures, taken together, contribute to developing the economies and societies of the poorest parts of the world. They provide a ladder through which developing countries can move up the value chain in production, making goods and providing services which add significant economic value, and which receive significant economic return in the global economy. Education and training is one of the packages of measures to leapfrog from underdevelopment to the information society. In developing an education and training base in developing countries, the existence of new technology can open up new possibilities and possibly save costs on more traditional methods. This is a major challenge for the developing countries to invest in ICT and develop appropriate policies. Closer collaboration is needed between the ILO, UNESCO and other international organizations; regional organizations, such as the EU and Mercosur; and donor countries that place high priority on human resources development and training. It should also work more closely with international financial institutions, such as the International Monetary Fund, the World Bank and regional development banks, to ensure that structural adjustment programmes do not inhibit investments in education and training. Greater national and international efforts also should be made to eradicate illiteracy worldwide. All of these measures and support can only be effective if the developing countries make efforts to set up policies and programmes to promote economic growth and develop their human talent.

17. The development of a national qualifications framework is in the interest of enterprises and workers as it facilitates lifelong learning, helps enterprises and employment agencies match skill demand with supply, and guides individuals in their choice of training and career. The framework should consist of a number of elements: appropriate, transferable, broad- and industry-based, and professional competency standards, established by the social partners, that reflect the skills required in the economy and public institutions, and vocational and academic qualifications; and a credible, fair and transparent system of assessment of skills learned and competencies gained, irrespective of how and where they have been learned, e.g. through formal and non-formal education and training, work experience and on-the-job learning. Every person should have the opportunity to have his or her experiences and skills gained through work, through society or through formal and non-formal training assessed, recognized and certified. Programmes to compensate for skill deficits by individuals through increased access to education and training should be made available as part of recognition of prior learning programmes. Assessment should identify skill gaps, be transparent, and provide a guide to the learner and training provider. The framework should also include a credible system of certification of skills that are portable and recognized across enterprises, sectors, industries and educational institutions, whether public or private. The assessment methodology should be fair, linked to standards, and be non-discriminatory. Potential hidden discrimination should be actively guarded against. For example, the shift to the service sector, with an overall stronger female component, often relies on greater communication and problem-solving skills, which are not always explicitly recognized. Similarly, testing systems conducted in an individual's second language sometimes distort results of technical and other skills possessed. New forms

of work organization often shift the skills requirements within an enterprise. For example, flatter managerial structures are predicated on shifting certain responsibilities from management to the workforce. These should result in explicit recognition of the new competencies required by the workforce under these circumstances; and reward systems have to take these into account. The vocational qualifications system should be tripartite, offer access to workers and anybody wanting to learn, should cover public and private training providers and be updated on a continuous basis. It should ensure multiple entry and exit points in the education and training system during a worker's career. The ILO should develop a database on best practices in developing a national qualifications framework, conduct a general study on the comparability of different national qualifications frameworks based on this database, and undertake research into recognition of prior learning.

18. Trade unions and employer associations may also contribute to training by managing their own training institutions and providing education for their members. Particularly at the sector and enterprise levels, collective bargaining can set appropriate conditions for the organization and implementation of training. Such collective bargaining could encompass issues such as:

- skills required by the enterprise and the economy;
- training necessary for workers;
- assessment of basic skills and skills gained either in the workplace or during individual or associative activities;
- development of career paths for workers;
- personal training and development plans for workers;
- facilities needed to allow the maximum benefits from training;
- recognition and reward schemes, including remuneration structuring.

19. The social partners should strengthen social dialogue on training, share responsibility in formulating education and training policies, and engage in partnerships with each other or with governments for investing in, planning and implementing training. In training, networks of cooperation also include regional and local government, various ministries, sector and professional bodies, training institutions and providers, non-governmental organizations, etc. Government should establish a framework for effective social dialogue and partnerships in training and employment. This should result in a coordinated education and training policy at national level, and long-term strategies, which are formulated in consultation with the social partners and are integrated with economic and employment policies. It should also include tripartite, national and sector training arrangements, and provide for a transparent and comprehensive training and labour market information system. Enterprises are primarily responsible for training their employees and apprentices, but also share responsibility in initial vocational training of young people to meet their future needs.

20. The scope and effectiveness of social dialogue and partnerships in training is currently limited by the capacity and resources of actors. It varies between countries, sectors and large and small enterprises. Recent regional economic integration also brings a new dimension to social dialogue on training and the need for capacity building. There is a pressing need to raise this capacity by various means such as technical cooperation, public grants to trade union and employer organizations, and exchanging experience and best practices between countries. Education and training in industrial relations and on trade union education, business administration and the social contribution by the work and the organization of the social partners, should also be an integral part of capacity building and a part of initial and vocational training. Being a tripartite organization, the ILO should lead international cooperation to build up capacities for social dialogue and partnership building in training. Additional efforts should be made for the benefit of developing countries.

21. Terms of reference for a review of the Human Resources Development Recommendation, 1975 (No. 150), should be based on the present conclusions, adopted by the International

Labour Conference at its 88th Session, 2000, the conclusions of the Cologne Charter 1999, and the statements on this subject jointly made by international employer and trade union organizations; and should include the following:

(1) address training and education needs in the modern world of work in both developing and developed countries, and promote social equity in the global economy;

(2) advance the decent work concept through defining the role of education and training;

(3) promote lifelong learning, enhance employability of the world's workers, and address the economic challenges;

(4) recognize the various responsibilities for investment and funding of education and training;

(5) promote national, regional and international qualifications frameworks which include provisions for prior learning;

(6) improve access and equity of opportunity for all workers to education and training;

(7) build the capacity of the social partners for partnerships in education and training;

(8) address the need for increased technical and financial assistance for the less advantaged countries and societies.

Recommendation No. 150 should be revised in order to reflect the new approach to training. Although some aspects of the Recommendation are still valid, others have lost their relevance. There is a need for a more dynamic instrument that is more applicable and used by member States and the social partners in formulating and implementing human resources development policies, integrated with other economic and social policies, particularly employment policies. A new recommendation should be complemented by a practical guide and database that can be renewed on a continuous basis by the Office as part of its normal work.

APPENDIX II

The Cologne Charter: Aims and Ambitions for Lifelong Learning[1]

(adopted by group of eight major industrialized nations (G8), on 18 June 1999)

The challenge every country faces is how to become a learning society and to ensure that its citizens are equipped with the knowledge, skills and qualifications they will need in the next century. Economies and societies are increasingly knowledge-based. Education and skills are indispensable to achieving economic success, civic responsibility and social cohesion.

The next century will be defined by flexibility and change; more than ever there will be a demand for mobility. Today, a passport and a ticket allow people to travel anywhere in the world. In the future, the passport to mobility will be education and lifelong learning. This passport to mobility must be offered to everyone.

PART 1. BASIC PRINCIPLES

Meeting our social and economic goals will require a renewed commitment to investment in lifelong learning:

- by governments, investing to enhance education and training at all levels;
- by the private sector, training existing and future employees;
- by individuals, developing their own abilities and careers.

The rewards for investing in people have never been greater and the need for it has never been more pressing. It is the key to employment, economic growth and the reduction of social and regional inequality. As we move into the next century, access to knowledge will be one of the most significant determinants of income and the quality of life. Globalization means that developed and developing countries alike stand to gain from higher standards of skills and knowledge across the world.

A commitment to greater investment in people must be underpinned by three principles:

- first, that everyone should have access to learning and training, not just those who are intellectually gifted or economically privileged, and basic education should be free of charge. Special attention should be given to the needs of the disadvantaged and the importance of combating illiteracy;
- second, that everyone should be encouraged and enabled to continue learning throughout their lives, not just in the years of compulsory schooling; and
- third, that developing countries should be helped to establish comprehensive, modern and efficient education systems.

PART 2. ESSENTIAL ELEMENTS

The essential elements of a strategy for lifelong learning and training are:

- high-quality early years education;
- primary education that enables all children to achieve good competence in reading, writing, arithmetic, and information and communications technology (ICT) and to develop basic social skills;

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[1] www.g8.gc.ca/1999/KolnCharter-e.htm, 19 Oct. 2001.

- secondary education that develops the aptitudes and abilities of all students, not only those bound for higher education and professional careers, provided by schools aware of the needs of labour markets;
- vocational training that imparts skills attuned to the needs of the labour market and the most up-to-date technology and which opens up pathways to higher qualifications;
- higher education that offers opportunities for everyone capable of profiting from degree-level work, with financial support as necessary to ensure access for everyone who can benefit;
- adult skill acquisition that enjoys appropriate public or employer support, accommodates family needs and affords ready opportunities for reskilling throughout life. This should include high-quality work-based learning systems and equipping people with the skills needed for self-generated learning.

At all stages of learning emphasis should be given to the importance of creativity, entrepreneurship and education for democratic citizenship, including respect for the political, civil and human rights of all people, the value of tolerance and pluralism, and an understanding and respect for the diversity of different communities, views and traditions.

Part 3. Building blocks

Education systems have strong national characteristics and they have a very important role in fostering cultural diversity. But there are important areas where countries share common priorities and approaches or have identified particularly effective strategies for modernizing their education and training systems to raise standards at all levels. The following are key building blocks:

- teachers are the most vital resource in promoting modernization and higher standards; their recruitment, training, deployment and appropriate incentives are critical to any successful education system;
- the mutually supportive roles of public and private finance and the need to raise the overall level of investment in education and training;
- modern and effective ICT networks to support traditional methods of teaching and learning and to increase the quantity and range of education and training, for example, through distance learning;
- the continued development and improvement of internationally recognized tests to benchmark student achievement;
- the recognition of professional qualifications and work experience;
- the promotion of the study of foreign languages to increase the understanding of different cultures and enhance mobility in a globalized world;
- increased attention to the establishment of clear targets in terms of higher standards and levels of achievement;
- the need to develop a culture of entrepreneurship in education, not least in developing the closest R&D links between universities and companies.

APPENDIX III

Education and training: A joint statement by BIAC and TUAC[1]

January 1991

Introduction

The two sides of industry meet and cooperate in many situations in everyday working life: improving production, settling disputes, drawing up agreements, planning. Organizations of the social partners also often cooperate although national practices vary considerably.

At the international level, the advisory committees of Business and Industry and Trade Union organizations, respectively, take part in the deliberations of the OECD. These committees – the BIAC and the TUAC – in 1986 prepared a joint statement which was presented to the OECD Ministerial Council on how we perceive the interdependence existing between economic growth and development and full employment and social dignity.[2] In 1988, BIAC and TUAC presented a joint statement to the OECD Intergovernmental Conference on Education and the Economy.[3]

It has now become "conventional wisdom" that educational and training investment in "human resources" is a key to economic success. However, our experience in the world of work convinces us that much is still left to be desired in the performance of education and training systems, in the level and scope of investment in the skills and quality of the adult labour force, in the levels of functional competence reached and maintained – and thus in the prerequisites to sustained economic growth through the critical decade of the 1990s.

It is in the common interest of both BIAC[4] and TUAC to again present a Joint Statement addressed to the OECD governments, this time focusing on the vital importance of education and training. A "total quality" approach is essential for education and vocational training. We can no longer accept complacency with systems which produce large numbers of drop-outs. Eighty to eighty-five per cent of the labour force in the year 2000 is already at work and we must achieve the continuous development of adults' skills and competence throughout each individual's life.

Challenges facing the OECD countries

The OECD member States must sustain their economies as they move towards, and into, the next millennium in the face of the following challenges.

Demographic development will reduce the normal replenishment of the adult labour force at around 2.5 per cent annually to alarmingly low levels – 1.5-1.9 per cent annually – throughout the 1990s in almost all member countries.

Despite the fall in general levels of unemployment in the OECD since 1988, the continuation of unacceptably high unemployment in many regions and amongst many groups risks excluding them.

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[1] The Business and Industry Advisory Committee and the Trade Union Advisory Committee to the OECD.

[2] "Full Employment and Growth as the Social and Economic Goal" – BIAC and TUAC, Paris, 1986.

[3] Education and the Economy in a Changing Society, OECD, Paris, 1989.

[4] The United States Council for International Business disassociates itself from this statement.

Structural change and technological development has an accelerating impact on products as well as on production and how it is organized, marketed and distributed. (In addition, more jobs are now being created in services and information than in production.) These changes confront our societies with several far-reaching challenges. We must prepare our young people for a profoundly better understanding of, and insight into, the emerging and new technologies – and motivate them to master these in all aspects of our lives so as to ensure that technological change contributes its maximum to economic development and does not counteract social progress. At the same time we must be aware of the environmental challenges associated with this process. We must develop new competence in the present adult labour force on an unprecedentedly massive scale. Businesses must respond flexibly to changes. And we must increase the continuous development and reform of our industrial production and its work organization. This challenge, if successfully managed, should lead to both economic and social gain.

The already manifested increase in competition on the world market – following from the rapid increase in world trade, accelerating technological development becoming increasingly accessible to all, and changing political and economic parameters – will in all probability increase even further through the 1990s. Another kind of competitive challenge altogether is that following from the enormous needs of the emerging new market economies and democracies of Eastern Europe to receive assistance through the difficult and unstable transition period that may well stretch through the whole decade of the 1990s.

The necessary response

These challenges require a threefold response in order to ensure that the OECD countries' human resources meet the challenge:

(a) *Investment in education and training:* Those countries and firms who will succeed best in the international competitive environment will be those who treat education and training of the young generation and the development of the skills of adults already in the labour force as an investment and not as a cost. However, it should be said that investment in education and training is a necessary condition for success, not a panacea which can put right other economic or social policy failures. Moreover, basic education must provide young people with the competence and understanding necessary for their individual enhancement, their social integration and responsibility as well as their employability by employers. The basis for this is that young people must be given the means to successfully cope with a rapidly changing labour market and society. Continuing curricula reform and equal opportunities for both sexes are essential. The education system can be a cement of social cohesion through OECD countries which itself is a key factor in economic development.

Enterprises depend heavily on the performance of the education system. This is particularly the case for the smaller companies which have relatively smaller chances to train and retrain their staffs themselves, and generally can afford less investment in raising the competence of their workforce. This last fact is mainly due to the time-scale involved before such investments pay off. In order to make these smaller enterprises more competitive and to increase the opportunities available to their staffs, incentives schemes and other "outside" support arrangements attractive to both sides should be investigated and discussed.

(b) *The performance of public youth education and training systems:* Progress has taken place over the last ten years. However, it is unacceptable to the social partners that a best possible level of educational attainment is not achieved. Most systems succeed to raise at best less than 80 per cent of each cohort to the desired standards (with the exception of Japan). Although measured standards may be misleading, this deprives both large groups of our young and the economy of the necessary prerequisites for active participation of all in the development of our societies. Our joint strategy calls for a "total quality" basic education for all young for which our governments must be responsible and their respective school systems must be accountable. Governments must provide the necessary financial re-

sources (when efficiently deployed) to allow "total quality" in education. The OECD has an important role to play in helping to extend good practice in this field.

(c) *The need for educating and retraining the adult labour force:* More than 80 per cent of the workforce of the year 2000 is already at work and this adult workforce will thus comprise an increasing part of the labour force available to us into the next century. In many OECD countries a large part of this workforce left school with only the minimum school qualifications and the large majority do not receive systematic adult education or retraining. These circumstances are compounding the other problems which we are facing. This situation can no longer be tolerated and must be put right over the 1990s. Continuing education and retraining must be made accessible and attractive to adults. OECD governments must take the prime responsibility in reversing this situation and employers and trade unions are themselves committed to assisting them in meeting this objective.

Improving basic education

In the face of organizational and structural change, the nature of work is changing at an accelerating pace. Mass production and Taylorist systems of production are giving way in some industries to new forms of work organization. If new technologies are to be exploited to the full, both economically and socially, this process of change in work organization will increase and spread. At the same time, structural changes mean that individual workers are faced by fundamental changes during their working lives. This change in the world of work produces changes in the requirements on our educational systems. The increasing need for ability to handle information, numeracy, group work, the ability to communicate, literacy, interpersonal skills and customer-related skills will all require educational systems and curricula which reflect the need for young people to learn and not just absorb knowledge and to be able to adapt to and profit from future changes. The basic education system has increasingly to provide for the capacity to engage and re-engage in the learning process itself. This will put increased pressure on the school systems to adapt and to be seen as being more at the cutting edge of change. Indicators of inadequate system performance such as increasing functional illiteracy and persistently high drop-out rates suggest that in many OECD countries the position has become very serious. More optimal use of resources and in some cases extra public resources are necessary, but at the same time there must be active cooperation between schools and the world of work and public authorities – both to ensure that adaptation of systems take place and to make better use of the capacity and interest of enterprises to assist schools to create motivation and generate learning opportunities. Schools are not factories and learning environments have to be built up, not imposed. Alongside education for employment schools also have to ensure education for individual enhancement and social responsibility.

Future societies and economies will not be able to function if high-quality education is focused on a small group. This is why a "total quality" approach to education is necessary. We have as our ambition the elimination of the drop-out phenomena as well as the overall raising of standards.

In achieving all these improvements the quality and morale of the teaching profession is the key. We endorse the conclusions of the report of the OECD's Working Party on the Conditions of Teaching – *The teacher today* – that in many cases the conditions and rewards of the teaching profession must be improved as an urgent priority and that opportunities for regular retraining of teachers is necessary in order to improve the quality of teaching.

Changes must also take place in systems of higher education. We must give an increased opportunity for the higher education of young people as well as increased flexibility in making these institutions available for supporting the continuous development of adults active in all avenues of working life. Higher education institutions should be encouraged to consider the potential for adult vocational training in their traditionally "academic" curricula in order to increase their accessibility to adults.

Modernizing basic training

Many OECD member States need to improve their systems of vocational education so that young people leaving the compulsory school system have an opportunity for a higher education place or training opportunity which leads to a certifiable qualification. There is no one model for the desirable balance or the type of system which should be preferable. But close cooperation between the three partners – government authorities, employers and trade unions – is essential. Information on successful examples – whether industry- or community-based – should be used more actively.

In some cases there are imbalances between the "education" and the "training" establishments which need to be redressed. In other countries, initial vocational training and apprenticeship systems have broken down to a worrying degree. In all countries, however, there are problems of insufficient levels of basic training, mismatches between the skills produced and those required, and growing gaps in opportunity. Although the exact delivery of vocational training systems may vary, public authorities have a responsibility for ensuring the study and operation of the system and each young person must have a right to such training. Public authorities, in close cooperation with the social partners, must also ensure that vocational training leads to a set of certifiable skills and qualifications.

Retraining throughout working life

There must, however, be a sustained effort at retraining the adult labour force and to a large extent this must be enterprise-based. At the moment, this is often insufficient both due to the changing environment of the 1990s and due to the long-standing tendency for individual firms to under-invest in training for fear that skilled workers will be "poached" by other employers. This also leads to the tendency to focus on narrow job-based training rather than focusing on wider transferable skills of use to different employers. The ultimate response must be to upgrade the level of competence of the adult.

Especially, the smaller enterprises are hard put to invest sufficiently in training, and to provide comprehensive enough training schemes, for obvious reasons. These companies need more outside assistance, both from their own organizations, from schools and universities, and from governments and banks, to overcome these difficulties and limitations.

In most member countries, the rapid expansion of education and training in the last decades has inadvertently resulted in increasing inequalities as regards the distribution of education between generations, most younger workers having received almost twice as much schooling as their older colleagues. This is further compounded when production priorities act to allocate more continuing training and retraining resources to those workers that are already best educated. Also, various jobs require different amounts of upgrading. However, to compensate for such circumstances cannot be regarded as being solely a responsibility for employers – rather, there must be a tripartite response.

There are community-wide interests in this process and therefore government must take a responsibility in both the orientation of the content and the funding. The responsibility for financing must depend upon the respective goals of the training, its immediate employment objectives, its wide social needs and its individual enhancement. The field of enterprise-based training and retraining does, however, represent a perfect field for a "win-win" strategy of cooperation between the social partners and government, taking account of national circumstances, in which all parties gain and conflicts can be reconciled.

Enterprise-based training is therefore having to:

- take on responsibilities for remedial education;
- provide sufficiently wide skills that the workforce is adaptable and polyvalent;
- whenever possible provide an opportunity for individual development, as well as training becoming a standard part of working conditions for all workers.

These demands on what enterprise-based training must achieve lead to the need for a three-dimensional model that explains both how to increase the personal competence, the social competence and the professional competence – and how to distribute and balance responsibility for these partly converging, partly divergent ambitions. Also, it calls for new and more versatile methods of cooperation between all "players", such as incentives and various fiscal/financial options made available under specified conditions.

In some countries, collective agreements have also been concluded establishing good practice for enterprise-based training. In some instances paid training leave has become an established practice. Training leave may become increasingly important in the future. It should be combined with mechanisms that constructively govern its deployment to times and purposes that are beneficial also to others of the "players". Systems of personal "accounts" for training (or drawing rights) combined with incentives should be examined.

In almost all countries, however, serious gaps exist in training provision by small and medium size enterprises. Other areas requiring specific government programmes are those of particular underprivileged groups who may require targeted programmes, such as those trapped in unskilled poor quality jobs or the long-term unemployed. A further area are those industries or sectors facing massive restructuring, where anticipatory retraining programmes can help ease adaptation and change.

Making it happen

BIAC and TUAC are ready to engage in a joint effort with OECD to encourage governments to increase general awareness in all circles concerned of the critical importance of the quality of the labour force to economic growth and performance. We hope to increase the opportunities to individual workers, both through incentives and new responsibilities to further their skill development. The goals are:

- improving the general school system through a "total quality approach" to basic education;
- the development of a high quality vocational education system leading to certifiable qualifications with the greatest possible access for all;
- increased opportunity for young people to go forward to further and higher education;
- the development of enterprise-based training;
- the promotion of retraining for workers throughout their working life.

Our objective is to increase the options available to individuals throughout their lives as well as meeting the economic and social challenges facing us. Opportunity must be given for skill development, incentives must exist to make this worthwhile to the individual and therefore changes also have implications for collective bargaining and pay systems.

A new "win-win" strategy of cooperation must be developed between all parties concerned both in youth education and training and in the development of the potential of the adult labour force – governments, social partners and above all individuals involved.

It is recognized that there are absolute limits to both financial resources and time. In the same manner that the goals of training and retraining have objectives for the employer, society as a whole and the individual, so financing responsibilities must reflect the different objectives – individual, corporate and collective. Similarly, opportunities for using working time for retraining, the provision of training leave and the general reduction of working time are elements which have to be balanced.

Ultimately, however, both financing and use of time for training must be treated as an investment. Action by government at the right time can ensure that the investment is brought forward. Indeed, for many individuals and small companies action by the government is the key to enabling them to participate in this process in any way at all, since their immediate perspectives and potential seldom allows them to have longer-term or more comprehensive ambitions.

The profile of training needs to be raised both at the level of the boardroom and within workplaces. In many cases it has been included on the collective bargaining agenda, and at the

same time is an appropriate subject for consultation and cooperation arrangements. The ultimate goal is to increase individual opportunities, avoid exclusion and match both economic and social needs.

The suggestions and reflections brought forward in this Statement call for education and training to be at the centre of OECD's and its member governments' priorities. BIAC and TUAC will work to this end and also seek to ensure the close interaction of Education and Training Policies with other priorities such as Economic, Manpower and Social Affairs and other policies. We are quite prepared to continue and if necessary increase our cooperation with OECD, its Secretariat and the CERI,[5] in present and future forms.

[5] OECD Centre for Educational Research and Innovation.

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